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NEWS SUMMARY

GENERAL
Steel blast kills five
Water falling into a 25-tonne ladle of molten iron is thought to have caused the Scunthorpe, Lincolnshire, blast furnace explosion yesterday which resulted in the deaths of five men and injured 14 others.

This explanation was offered by Sir Monty Finniston, chairman of the British Steel Corporation, after he had visited the scene of the accident at the Appleby-Frodingham works.

The disaster is the most serious mishap in a British steelworks since six men died at Ebbw Vale 12 years ago. Page 8

Shots fired at IRA funeral
Shots were fired at a Republican Club's funeral party in Belfast yesterday as the IRA feud continued. Official IRA members were burying a murdered colleague when they came under fire. There were no casualties. Elsewhere in Belfast a Provo was wounded when gunmen burst into his home. Ulster Convention move. Page 9

In the Commons, Mr. Merlyn Rees, Northern Ireland Secretary, gave details of changes in Ulster jail arrangements. These include the phasing out of the special category system which allows convicted terrorists to live in compounds and claim special privileges. Parliament, Page 12

Franco speaks to his family
General Franco, after confounding his doctors by surviving Monday night's three-hour operation—in which the chief surgeon gave him a 100-1 chance of survival—had recovered sufficiently yesterday to speak to members of his family. At the UN Dr. Kurt Waldheim, Secretary-General, suggested a six-month cooling off period in the Spanish Sahara crisis. Page 5

Rockets recalled
Fireworks company, Benwell of Barnet, yesterday asked purchasers of its 15p Double Grade Rocket, size 5, marked "Made in China" to return them to retailers. A rocket of this type exploded prematurely on the ground in Birmingham. At Henbury, Bristol, last night, 300 rockets were dismantled following discovery of 39 rounds of 45mm ammunition in a children's bonfire.

'Patients at risk'
Mr. Derek Teasdale, a leading hospital consultant, warned yesterday that patients' lives would be in some danger because of the junior doctors' industrial action in the North-West. Back Page

Briefly...
Close finish is predicted as Great Britain and France fight for the Sydney in the FT Clipper Race. Page 25

Rear Admiral Morgan Morgan, 61, Conservative MP for Winchester, is in hospital after fracturing his left leg, ribs and right shoulder in a riding accident.

Battle for the Angolan town of Benguela appeared imminent as a White-led FNLA column was reported nearby. Portugal news. Page 6

Brigadier Khalid Mustafa last night seemed to have emerged as Bangladesh's new strongman. Page 5

CHIEF PRICE CHANGES YESTERDAY
(Prices in pence unless otherwise indicated)

Electric 3pc 76-78	279 1/2	+	3
Anglia TV "A"	87	+	8
ATV "A"	88	+	8
AP Cement	188	+	8
Beecham	314	+	8
British Home Stores	381	+	9
Cater Ryder	242	+	9
Debenhams	31	+	23
Distillers	136	+	7
Eagle Star	155	+	7
Electrocomponents	118	+	4
EMI	231	+	5
Gallenkamp	134	+	8
ICI	340	+	7
ICI	340	+	7
Gomm Hides	77	+	5
GUS "A"	191	+	6
GKN	240	+	8
ICI	300	+	6
Lebus (H.)	34	+	5
Lon. Oseas Freighters	324	+	2
Macfarlane	62	+	6
Marley	85	+	4
Mathews (B.)	75	+	10
Midland Bank	85	+	11
Morris (H.)	65	+	11
Reynolds Parsons	60	+	44
Tomatin	64	+	6
Tube Inva.	276	+	10
UDS Group	87	+	10
BP	89	+	8
Shell Transport	89	+	8
Gopeng Cons.	183	+	7
Malayan Tin	172	+	15
Manitowoc	700	+	13
Peko-Walsend	420	+	13
Yuko Cons.	67	+	13
FMC	59	-	5
More O'Ferrall	28	-	5
Tunnel Hides	152	-	8

Accountants give qualified support to Sandilands

BY MICHAEL LAFFERTY

The proposals of the Sandilands Committee on inflation accounting have received the qualified approval of the British accountancy profession.

By adopting this attitude, the accountancy profession has recommended by Sandilands that its main concern is shown with the effect of inflation on the profitability of British industry.

To emphasise the urgency which it attaches to the matter, the profession has dropped its own current purchasing power (PPP) proposals and now calls on the Government to proceed with Sandilands without delay.

The accountancy profession says it is vitally important that a consensus should be reached as soon as possible "on a generally acceptable method of accounting for inflation even if that method is not so comprehensive as some would wish."

A clear announcement without delay by the Government of support and encouragement for the development of a reformed method of accounting, says the Consultative Committee of Accountancy Bodies (CCAB).

It is essential to avoid confusion and maintain the momentum towards the achievement of long overdue change.

The accountancy profession has already had preliminary discussions with the Government. "We are hopeful that there will be an early statement—probably in mid-November," said Mr. John Grenside, chairman of the CCAB.

The accountants say that the current cost accounting system recommended by Sandilands could prove to be a practical method of accounting for inflation, provided it is supplemented by a statement showing the change in the purchasing power of the shareholders' capital.

Work should start forthwith on the development of a new accounting standard based on these proposals, the accountants urge.

The current cost accounting system proposed in the Sandilands Report requires that fixed assets and inventories should be stated in the accounts at their value to the business, generally their replacement cost, instead of at their historical costs as at present.

This generally means that the profit and loss account included a higher charge for goods consumed and for depreciation, thereby giving a reduced profit figure.

The CCAB, which consists of representatives of Britain's 100,000-strong accountancy profession, does not accept the Sandilands Report's assertion that "CCA is a comprehensive system of accounting for inflation."

In addition to the directors, observers from the life assurance market, merchant bankers and other financial institutions, Sir Anthony Grover, and only members of Lloyd's, were present at the meeting.

On the timing of events leading up to the meeting at the department some 10 days ago and last night's meeting was the third.

Those attending took part as observers "to gather information about the time they are involved in one of these things you have to ask what to do now to do it and whether to get involved."

"Nobody there cared about his own share stake. We were concerned about the impact of the life market and for policyholders."

Asked about the reasons for the company's need for capital the chairman said it was "new money" related to "new business strategy." This is the initial cost of taking on new life assurance business which only becomes profitable to the company in later years.

The company's difficulties come as an embarrassment to the Lloyd's of London insurance market, which is the world's largest and most successful of its kind.

Mr. Paul D. Dixey, a former chairman of Lloyd's said yesterday the Committee of Lloyd's would be discussing the position at its meeting this morning.

Chrysler adopts tough line
BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

NEGOTIATIONS OVER the threatened future of Chrysler U.K. were adjourned last night amid clear signs that the U.S. parent company has adopted an extremely tough line about sharing its British subsidiary any longer.

The Prime Minister, who met Mr. John Riccardo, chairman of Chrysler Corporation, at Chequers on Monday, sounded a grim note about the U.K. company's problems in his first statement on the talks yesterday. In a notably subdued performance at Question Time in the House of Commons, Mr. Wilson said he had heard nothing that would cause him to underestimate the "gravity of the situation."

This suggests that Mr. Riccardo, who in Detroit last week talked of a possible disposal of Chrysler U.K., has adopted an even more intransigent line with the Government. The implication is that he has set a high price, in terms of Government aid, on Chrysler maintaining a major presence in the U.K.

The next move on the Government side appears to be a full meeting of the Cabinet to discuss the options open to Mr. Eric Varley, the Industry Secretary.

Reserves down \$146m. in October

By William Keegan, Economics Correspondent

THE U.K.'s official reserves fell by a further \$146m. during October, bringing the drop in the last six months to \$14bn.

At \$5.71bn, the gold and foreign currency reserves were lower by the end of October than at any time since January 1972, when they stood at \$5.66bn.

Announcing the reserve figures yesterday, the Treasury said the calculation had been struck after taking credit for a further \$7m. of foreign currency borrowing by the public sector during the month.

In the six months from end-September, the reserves had fallen by \$1.4bn.

It is the opinion of the CCAB that the effect on the real wealth of a business, of changes in the value of money itself.

Inflation persists at a significant rate, users of accounts of the Report's proposals and the full application of the concept of the pound of current purchasing power as the appropriate unit of measurement," the CCAB says.

It suggests that the Government should compile a more widely-based index than the retail price index in order to measure changes in general purchasing power.

However, if it proves that the time is not yet ripe for accounts prepared on the basis of the pound of current purchasing power to be generally acceptable, the profession would be prepared to compromise.

At the same time, the accountants admit that the operation of the provisional standard on accounting for inflation (SSAP 7) has not been without problems.

SSAP 7 recommended the current purchasing power method of inflation accounting. "These problems would have been dealt with in due course by the profession's Accounting Standards Committee," the CCAB says.

Continued on Back Page

Rise in bank borrowing by industry

BY MICHAEL MANDEN

INDUSTRY'S borrowing from the banks shows its first significant increase this year in figures released to-day, following a warning from a senior clearing banker that the Government's speeding could stave industry of funds or set up new inflationary pressures.

Mr. Deryk Weyer, senior general manager of Barclays Bank, said yesterday that he was worried about the level of the Government borrowing requirement, which was "pre-empting all the savings resources."

He argued that when the economy started to grow again, the demand for finance could require an increase in interest rates or some form of credit restraint. This, he suggested, would be damaging at a time when industry's confidence in new investment was being restored.

The banking figures for the month to mid-October show the first signs of a significant increase in demand for bank finance this year, with an underlying rise in advances by the London clearing banks of probably some £150m. to £200m.

This movement in itself is regarded as an encouraging sign by the banks and the authorities, after a period in which the level of borrowing has remained stagnant. Bankers are not inclined to put too much emphasis on a single month's figures, and generally they feel with Mr. Weyer that the real return may not come until the latter half of next year.

Nevertheless, it is felt that at least there are some signs of a slightly better mood in industry, if only reflecting greater stability after the sharp run-down in stocks during the first half of 1975.

At present, moreover, the bank sector's figures suggest that fears of a possibility of a renewed money-advance to the public sector.

On average, these reserve ratios, on average, these dropped from 13.7 to 13.4 per cent., while the banking system as a whole saw a fall from 16.9 to 16.7 per cent.

Nevertheless, there is still widespread speculation that the authorities may need to call further special deposits from the banks to mop up liquidity and help finance Government borrowing.

The London clearing bank figures show that in the month to mid-October their sterling advances to the U.K. private sector fell by £34m., while sterling deposits by U.K. residents rose £300m. The fall in advances, however, was less than the seasonal expectation.

The underlying movement in advances was therefore upwards, and is reported to have been concentrated mainly in the manufacturing and distribution sectors. There was a rise, probably temporary, of £88m. in advances to the public sector.

At present, moreover, the bank sector's figures suggest that fears of a possibility of a renewed money-advance to the public sector.

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LOMBARD

Debt relief for world's poor

BY C. GORDON TETHER

THE Government has set a good example to the affluent world at large by deciding to make a switch from loans to grants in providing aid to the poor countries. But such moves come very late in the day, seeing that developing countries stand in increasing danger of being financially suffocated by the cost of servicing debts arising from previous aid. And now that most of the major lending countries have managed to off-load the payments deficit created by the oil price explosion, they should think in terms of offering debt moratoria to poor countries long before their servicing problems grow so acute that repaying becomes unavoidable.

As an FT correspondent has pointed out, there have of late been delays in payments on Zaire's external debts that it was difficult to explain away by reference to "administrative difficulties"—which is a nice way of saying that the country's loans are in danger of going into default. And there is a good deal of evidence that a number of other developing countries—including some large ones—are in similar plight.

A recent World Bank study points in part of the background to this situation. For it shows how the strain imposed on poor countries by the rapid increase in external debt commitments has been compounded since the opening of the 1970s by rises in interest rates—with the result that the debt service has been climbing at an even faster rate than the debts themselves.

No comfort

Thus during the 1967-72 period the debt service of the 86 developing countries covered by the survey recorded an average advance of 18.4 per cent—a figure only a little below the annual increase in this case averaging 14.8 per cent. But in 1973 the jump in the debt service amounted to no less than 31 per cent, with the rise in the debt itself coming out a little below 20 per cent.

The data on which the World Bank's study is based carries the story no further than the end of 1973. But, as its report goes on to point out, there can be no doubt that the debt situation of developing countries in the oil-importing classification—and the crisis majority are—has deteriorated markedly since then. The global recession has cut the demand for their exports, as well as the prices obtained for them. As the prices they have to pay for their imports from the indus-

Big enough

Moreover, once a developing country has moved into an effective default situation, its prospects of raising the additional capital it needs by arranging new borrowing tend to become extremely tenuous.

The advanced countries in general have now eliminated the payments deficits they were initially landed with by the oil price explosion—and, effectively, largely at the expense of the poorer countries of the world. So they should surely be capable of being big enough to adopt an entirely new attitude to the financing of the Third World development—that is one that covers old as well as new money.

If it makes sense—as it is now coming to be widely acknowledged that it does—to allow new aid to go without generating future repayment obligations for the developing countries, it must make equal sense to stop eroding the amount of that flow by clawing back an ever-increasing proportion of it in the servicing of debt created by previous aid.

It would, of course, take some time to evolve an equitable plan for debt relief to developing countries, since some need it less than others—if at all. But there is no reason why the worst cases should not be quickly taken care of once the broad principle has been accepted.

RACING

BY DARE WIGAN

Sea Pigeon will be high-flier

JUMPING enthusiasts who take the view that flat racing has overstayed its welcome have the field to themselves "this afternoon, with meetings at Newbury, Sedgfield and Wolverhampton.

The best quality is on offer at Newbury where Sea Pigeon, with service foreign indebtedness has been heavily eroded.

This is why it is impossible to derive any comfort from the fact that the World Bank's 1973 analysis showed the proportion of the less-developed countries' foreign currency receipts absorbed by debt service as not being significantly different from what it was in the mid-1960s.

By now it must be running at a considerably higher level over the field as a whole. And the position of some of the countries that have become most extended in this sense—and even in 1973 a dozen or so of the poorer countries were having to devote over a fifth of their foreign exchange inflow to debt service—must be very serious indeed.

It is, of course, the case that the creditor countries usually show themselves ready, when crisis point is reached, to discuss the re-phasing of an afflicted country's indebtedness. But this is apt to be a very extended and painful process, and in any event, the eventual settlement does no more than prolong the agony by spreading out the burden over another decade or two so as to render it a little less intolerable.

As an FT correspondent has pointed out, there have of late been delays in payments on Zaire's external debts that it was difficult to explain away by reference to "administrative difficulties"—which is a nice way of saying that the country's loans are in danger of going into default. And there is a good deal of evidence that a number of other developing countries—including some large ones—are in similar plight.

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Our Nicolas, who did even

NEWBURY
1.00—Paper Chase
1.30—Late Night Extra
2.30—Sea Pigeon**
3.00—St. Swiftn
3.30—Our Nicolas*

SEDEGFIELD
1.15—Fair Cop
1.45—Red Marshall
2.45—Doncaster
3.00—Our Nicolas*

WOLVERHAMPTON
2.30—Chancellor
3.00—Spanish Steps**

better under Jockey Club Rules (in addition to winning twice here at Newbury and at Sandown), he was runner-up in the Dales in the Turf All Gold Ebor Handicap (at York), is a confident selection for Div. II of this event, for already he has annexed the valuable Sir Ken Fawcett Stakes at Worcester.

At Sedgfield, A. Stephenson, who took the corresponding

event last year with Artisan, can provide the winner of the Wolverton Handicap Chase (2.45) with Comber, and M. W. Easterby may land Div. I of the Croxdale Novices' Hurdle (1.45) with Red Marshall, though he is likely to have his work cut out to get the better of Souds Good from Denys Smith's Bishop Auckland stable.

The best bet of the day should be Souds Good in the Coven Chase (3.00) at Wolverhampton.

Admittedly, Mr. Edward Courage's old favourite has begun to show signs of advancing age, but he has shown up well in both his races this season, and with J. Barlow able to claim the 7-lb allowance, thereby reducing the weight to 9 st 7 lb, I find it hard to visualise his being beaten.

Dunlop, assuming that he is reasonably straight in condition, will go close for the Nuncheon Four-Year-Old Hurdle (2.30).

He had some good form to his credit last season, notably when third in the 2200 Novices' Hurdle at Doncaster and in the Victor Ludorum Hurdle at Haydock at the beginning of March.

SALEROOM

BY ANTONY THORNCROFT

Mixed demand for watercolours

DRAWINGS AND watercolours dominated the London salerooms yesterday. Christie's sale of English works was rather mixed, with two watercolours by Turner fetching rather disappointing prices while other artists offered some compensation. The sale totalled £75,347.

The Turners were not his best work. A view of Loch Fyne with Inverary Castle in the distance, composed in 1801, was bought anonymously for £5,300, just within the lower estimate. In 1855 Christie's sold it for 84 gns and in 1918 for 660 gns.

A watercolour of the Refectory, Kirkstall Abbey, was acquired by another anonymous buyer for £5,725, just below estimate. In 1912 it sold at Christie's for 350 gns but by 1930 had declined to 135 gns.

A third Turner watercolour, of Florence, went to Colnaghi for £2,100—above forecast.

In contrast there was an unexpectedly high price of £3,960 for a watercolour by Francis Danby of the Avon Gorge. It had been estimated at £800-£1,200, and in 1893 made just 7 gns in the sale-room. Another 1893 drawing by Francis Danby, this time of a landscape, also did very well at £3,150 (forecast £1,500-£2,000).

Buyers were generally rather particular, but a good feature was the £6,168 raised from watercolours which had belonged to Lord Swinton. So far the

Swinton House collection has realised £261,943.

Sotheby's Belgravia held one of its periodic sales of topographical paintings, drawings, watercolours and prints. The total of £27,000 was helped by some extremely high prices, the best of them for some Australian scenes. Richard Green gave £3,300 (forecast £1,000-£1,400) for a goldmining scene at Bendigo—an 1852 watercolour by George French Angus. The same dealer gave £2,500 for another Angus, showing gold diggings at Adelaide Hill (forecast £1,000-£1,400).

F.T. Clipper Race see Page 25

As usual the White Commonwealth views attracted the highest prices. Williams and Sons gave £2,700 for an oil of a Canadian artist, which had been cautiously estimated at £600-£800.

Elsewhere Sotheby's in Bond Street auctioned oriental ceramics for £25,014; Glendining and Sons for £11,889; and Phillips gathered in £41,595 from a furniture sale. The constant demand for the hearty South German furniture was shown in the £2,100 (double the estimate) paid by Dely for an 18th-century walnut dresser.

Edmund Penning-Roswell

writes: The recent flood of wine into the auction rooms has encouraged other auctioneers to sell it and yesterday Bonhams, Knightbridge offered over 300 cases of wine from one source—the Leith Cellars of a distinguished independent distillery company perhaps Bells, that apparently laid down port more for the delectation of directors and management than for resale.

They range from three bottles of Chateau 1905 that fetched 65s the lot, to a long run of '94s and '95s, considerable quantities of '97s, some '94s, '92s and '90s. The port-wine vintages were represented only by Fonseca and Graham '48.

Nearly all were sold in one or two dozen lots, and considered proportion bought for export.

Among older wines, the top price per dozen was £135 paid for Croft '20 and Cockburn '27. Delafosse '20 reached £130, while Fonseca '27 and Graham '27 made £120.

Hardly any other wines touched the £100-per-dozen mark, and there were certainly bargains among wines which apparently had shown very well in the pre-sale tasting. For example the top price for Fonseca '94 was £82 and £72 for Warre '34, while Sandeman '35 went for £78, Graham '48 for £69-£73 per dozen and Fonseca '48 for £62-£64.

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GARDENS TO-DAY

Harmonious plant grouping

BY ROBIN LANE FOX

RISKING AN afternoon of rough treatment was much to its informal quizzing recently in order to answer gardeners' random questions, I was relieved and interested to find that so much of the discussion concerned the topic of plant associations.

You think that these are secret societies for swapping new border-plants or farming groups which busy themselves with heavy machinery, you are missing what seems to me to be the most intriguing part of gardening.

It is a book and a mascot, it is merely used to the rough and tumble of life in an alpine meadow, where cows trample on it and manure it haphazardly and where other grasses and rampant carpeters grow through it, pushing it about as they spread.

Just as elegant parasites prefer certain types of tree, so the Gentian likes to be associated with vigour and robustness. Ecologists have yet to unravel the gardeners' code for the most suitable neighbours for their border plants: I am sure that this unexplored science will one day prove very relevant.

Plant associations, at present, are concerned with colour, season and shape. Season seems to be the most arguable. Asked what they would give in isolation. Once you are interested by it, you can experiment, rearrange your garden, note successes, back your eye judgment and never relapse into gardening without change or excitement.

One reason, apart from poor results, why I dislike vegetable gardening is that it is all too predictable. There is no point in trying a new arrangement of cabbages to see if they look prettier on the far side of the cauliflower. You can only wonder whether the pigeons will be quicker to spot the young broccoli, whether this year's rabbits will reach the sprouts' seedlings before the caterpillars and whether last year's insecticide was responsible for the family's winter stomach trouble.

Plant association is seldom, as yet, concerned with a plant's health. It is more a matter of colour and appearance. But a liking for wild mountain plants makes me wonder whether a plant's neighbours may not often be as important for its well-being as soil and climate.

To name one famous example: the indigo-blue flower buds of the Swiss gentian, *Gentiana acutifolia*, are notoriously erratic in England, and all manner of remedies for their shyness have been passed down among alpine gardeners.

Certainly, the plant often seems to dislike being treated as well as it is. I am one of the many who bought this supremely alpine flower as the first inhabitant of a rock garden. Rich soil

WORLD TRADE NEWS

Indian initiative to break ship conference 'tyranny'

By K. K. SHARMA

NEW DELHI, Nov. 4.

INDIA HAS decided to take the initiative to break the "tyranny" of international shipping conferences by two methods. The first is to form a conference of regional Asian countries with whom trade ties are strong, and the second is to quit the conference serving the Eastern and Western coasts of the American continents.

The Asian Regional Conference will start functioning on January 1 and for the present membership will be restricted to India, Burma, Bangladesh, Sri Lanka, Thailand and Malaysia.

Their shipping lines will handle trade among themselves on an exclusive basis, and no other national shipping line will be allowed to join this conference.

In addition, India's shipping lines have decided to press ahead with their own conference for cargo transport to the American continents. The Shipping Corporation of India, Scindia Shipping Company and other Indian lines, have already given the required two-months' notice and they will soon no longer belong to the international conference.

Mr. Basil Monte, permanent secretary in the Ministry of Power, Transport and Works, chairman of Zambia Railways, has just returned from Canada where he went to finalise the arrangements for CIDA to send personnel.

The request for personnel comes at a time when the contract of Canadian National Railways, which has been running the system here for the past five years, is being terminated on November 30.

Most of the jobs held by Canadians on the railway have been "Zambianised." Out of the original 500 people who came to work on Zambia Railways, only 100 are left, and they will be replaced by CIDA personnel.

Copper moved

Meanwhile, more than 20,000 tonnes of copper stranded at Lobito following the outbreak of civil war in Angola has been shipped to safety. Mr. Edson Ntombi, Zambia's Director of contingency planning, said here the copper was shipped to a foreign market amid fighting among rival liberation movements.

It was now estimated, he added, that only 3,000 tonnes worth about \$1m, was in transit between Dololo in Zaïre and Lobito.

Construction of a \$3m bridge linking Zambia and Zaïre is scheduled to start before the end of the year. The cost will be shared by the two countries. Work is expected to take two years. Mr. Maela Londola Zaïre Director of Roads in Zambia to finalise the plans.

NEW SULPHATE MILL IN GABON

By John Walker

STOCKHOLM, Nov. 4. SOCIÉTÉ GABONAISE de Cellulose (Sogacel) is to build a sulphate mill in Gabon to produce 250,000 tons annually of hardwood pulp. The mill is scheduled to go on stream in 1980. The Gabonese Government and the French State-owned company Elf Aquitaine have a controlling interest in Sogacel.

The Swedish Stora Kopparberg company will supply technical and forest experts for the project, as well as on market planning and sale of the pulp. Tropical mixed forest timber will be used as the raw material.

The first regional conference of Asian neighbouring countries will fix freight rates in consultation with each other and to their mutual concerns.

India, however, continues to support the Karamon Conference, which runs shipping lines between India and Pakistan on the one hand and Britain on the other. This has reduced the "Cape" surcharge when the Suez Canal reopened from 15 per cent to 7½ per cent. The surcharge continues because the Suez toll has been doubled.

Mr. Bijedic said he was astounded by some hints that Yugoslavia was limiting its economic relations with the West.

In the first 10 months of 1975 imports from the West had amounted to \$3,880m, while Yugoslav exports had barely reached \$1,190m.

The pattern of foreign economic relations had to be changed, he insisted, so that "enormous imports" only half of which were covered by exports, should be slowed down in general and in particular from those countries which "do not show enough readiness to balance to some extent their trade with Yugoslavia."

Mr. Bijedic did not put all the blame upon Yugoslavia's partners, however, but conceded that the world market "does not recognise various programmes of consumption which via taxes are built into the costs of production."

Strengthening the competitive position of Yugoslav exports would be one of the main objectives of economic policy in 1976. Market research would play a bigger role, better conditions would be created for exporters, and especially those who were net foreign exchange earners.

Import rights would be linked to export targets. Foreign credits would be taken less in the form of export credits and more in the form of financial credits, and so on.

As the first basic target of the economic policy for 1976, Mr. Bijedic stressed the realisation of economic stabilisation. In the absence of that there could not be a rapid and more harmonious development of the economy or strengthening of its competitive edge abroad.

"The level of inflation next year should be below that of this year," he said, "conditions for that being more favourable than they were in 1974. In view of the changed international and domestic situation the tactics of economic policy would also be changed. All measures and activities would be aimed at dynamising production and exports while at the same time the consumption and import policies would be 'very careful' and aimed to satisfy minimum requirements."

American President Lines is starting a regular container service between the West Coast U.S., Far East and Mediterranean (including Haifa), via the Suez Canal. Vessels will call at Haifa once a fortnight, the first on December 13. The route will be from Los Angeles to Japan, Taiwan, the Philippines, Hong Kong, Singapore, Ceylon and India or Pakistan to a number of Mediterranean ports.

Kong factories are working to capacity to supply the Far East clothing makers. In the U.S., where Newey holds 25 per cent of the pin market, business has increased 50 per cent, and improvements in demand are being registered in other world markets, to which the group is currently exporting 38 per cent of its U.K. output.

The British factories are recovering from the de-stocking movement in textiles which affected the group early in the year. Daily sales were 15 per cent better in October than over the preceding nine months.

Both the Malacca and Hong Kong

Kingston will become one of the 14 major and 26 feeder ports served by Zim Israel. Container traffic destined for destinations from regional ports will be transhipped through Kingston, and will utilise the facilities of the West Indies Shipping Corporation and the proposed Caribbean Basin shipping enterprise, Namurcar.

The Jamaican Government is now negotiating with other unnamed operators which may want to use the port which is being regarded as an almost certain financial success because of the island's central position in the Caribbean basin.

One of the future clients is likely to be neighbouring Cuba, which is suffering a high degree of port congestion.

Mr. Richardson said he would have played a part in the Presidential elections on a leave-of-absence basis as Ambassador, in any case.

Mr. Richardson said he did not believe that Mr. Morton had been forced to step down in order to increase Mr. Richardson's visibility in the U.S. But he said that if he were asked to become Secretary of State, he would do so.

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Yugoslavia limits 1976 payments deficit

By A. Loh

BELGRADE, Nov. 4.

YUGOSLAVIA WILL put a ceiling on its balance of payments deficit in 1976. Imports will be allowed to increase at a rate of one-sixth of that in exports, and endeavours will be made to substitute imports where that is rational. Those and other principles of economic policy for 1976 were outlined today in the Federal Parliament by Mr. Dusan Bijedic, the Prime Minister.

Mr. Bijedic said he was astounded by some hints that Yugoslavia was limiting its economic relations with the West.

In the first 10 months of 1975 imports from the West had amounted to \$3,880m, while Yugoslav exports had barely reached \$1,190m.

The pattern of foreign economic relations had to be changed, he insisted, so that "enormous imports" only half of which were covered by exports, should be slowed down in general and in particular from those countries which "do not show enough readiness to balance to some extent their trade with Yugoslavia."

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As the first basic target of the economic policy for 1976, Mr. Bijedic stressed the realisation of economic stabilisation. In the absence of that there could not be a rapid and more harmonious development of the economy or strengthening of its competitive edge abroad.

"The level of inflation next year should be below that of this year," he said, "conditions for that being more favourable than they were in 1974. In view of the changed international and domestic situation the tactics of economic policy would also be changed. All measures and activities would be aimed at dynamising production and exports while at the same time the consumption and import policies would be 'very careful' and aimed to satisfy minimum requirements."

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AMERICAN NEWS

Housing figures give more evidence of U.S. upturn

BY DAVID BELL

WASHINGTON, Nov. 4.

MORE EVIDENCE that the American economy is pulling away from recession has come with the latest figures on new housing starts, one of the key indicators of recovery, which show a sharp improvement.

But the figures for factory orders released yesterday showing a 2.2 per cent decline and for the first time in six months have caused a ripple of concern among some Government analysts, who see them as evidence that the recovery may be taking longer than at first thought.

Meanwhile Mr. Arthur Burns, chairman of the Federal Reserve, gave a Senate committee a confident report on the improvement in the economy since the recession, but reiterated his warning that the upturn was bound to bring with it renewed inflationary pressures that would have to be faced.

He said that the Fed would

continue for the time being with its relaxation of control of the money supply, partly because of slower than expected growth of monetary aggregates in the third quarter. He also gave a clear hint that the present uneasiness in the capital market, largely prompted by New York's problems was a further reason for not tightening up credit policy at the moment.

However, he warned that "it will eventually be necessary to reduce the rate of monetary and credit expansion" and added that although it was not yet time to do so "we are closer to that day now than we were six months ago."

Two sets of housing figures have revealed the improvement in the sector. The first, released by the Commerce Department, show that new housing permits last month were 25.7 per cent higher than in September 1974, representing an annual

house building rate of some 1.07m homes.

At the same time, a private research organisation, F. W. Dodge, has reported that contracts for residential building in September were 21 per cent above the level for September 1974 at \$2,970m. This increase is the first for 26 months and indicates a very definite revival according to Dodge.

Housing construction has always been regarded as a key indicator, and it has been one of the paradoxes of the current economic improvement that, until this set of figures, housing starts have not seemed to reflect the upturn in other areas of the economy.

Even so, the level of housing construction has fallen so low in the past two years that the industry is starting from a very low base and next year's figures will be closely watched to see if the improvement is maintained.

Election role for Richardson

BY DAVID BUCHAN

MR. ELLIOT Richardson, the U.S. Ambassador to Britain, picked this week-end by President Ford to replace Mr. Rogers Morton as Secretary of Commerce, confirmed yesterday in London that he will play an active part in the 1976 U.S. Presidential election.

But he carefully skirted round questions on whether he saw his new appointment as a stepping stone to the State Department, as has been speculated, and on the Republican Vice-Presidential ticket which is vacant now that Mr. Nelson Rockefeller has stepped aside.

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It would, however, be said, be no favour to Britain if the U.S. refuted its economy too fast and then later had to deflate with a sharp bump to counter inflation.

Looking back over his months in London, he cited, as important bilateral achievements of the co-operation between the two countries, international commodity price stabilisation, NATO weapons standardisation, and

certain issues in the SALT and MBFR troop cut talks. He said that he would use his remaining few months to develop policy for the forthcoming consumer/producer oil dialogue.

On the internal situation in Britain, he noted that despite certain doctrinaire in the unions and the Government, there has been encouraging moves towards beating inflation.

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Argentine wage rises agreement likely

By Robert Lindley

BUENOS AIRES, Nov. 4. PRESIDENT MARIA Estela Peron was still in hospital here today, officially reported to be suffering from an acute gall bladder complaint. She entered the Little Company of Mary sanatorium early yesterday morning.

Her third floor room, Srta. Peron received Economy Minister Antonio Calero, who said on leaving that she was looking well. Dr. Calero will speak on national radio and television late tonight, almost certainly to announce across-the-board wage increases which would end the spiralling budget deficit still higher.

At the end of a meeting in the Economy Ministry, between Dr. Calero, Labour Minister Carlos Ruckauf and top union leaders which lasted more than five hours, General Confederation of Labour Secretary General Caidio Herrera announced that a blanket wage increase would be granted, effective November 1. He added that agreement had been reached on several points which would be made known by Dr. Calero after he had talked with Srta. Peron today. The trade unions were demanding a 40 per cent increase.

Earlier, Srta. Peron would be operated upon and be replaced again as active President by Senate Chairman Italo Luder, as was the case for more than a month when she underwent a "rest cure" in September and October, has diminished somewhat. This is partly the result of growing reports that Srta. Peron is not as ill as was indicated in the first medical dispatch from the sanatorium.

There is even speculation that her surprise hospitalisation is linked to charges of malfeasance by members of her administration past and present—and against her personally in the case of a cheque she wrote and later retracted which would have transferred the peso equivalent of \$550,000 from a foundation partly funded by public money to the estate of her late husband General Juan Peron—in other words, to her own account.

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OVERSEAS NEWS

Exiled Bangladesh army men tell of 'counter-coup'

BY KEVIN RAFFERTY

BANGKOK, Nov. 5.

THE BANGLADESH army officers responsible for killing Sheikh Mujibur Rahman arrived in Bangkok in exile yesterday after what they described as a counter-coup. Their leader, Lt-Col. Sayed Farook Rahman, alleged that India was behind the latest events.

Colonel Farook told me in the Thai capital early today that the new strongmen in Bangladesh were Brigadier Khalid Musharraf, chief of the Army General Staff, Colonel Shafat Jamil, commander of the Dacca Infantry Brigade, Brigadier Abdur Rauf, the director of Forces Intelligence under the former ruler, Sheikh Mujibur Rahman, and Colonel Mallaque, a protégé of Sheikh Mujib. He added: "these men have all got an Indian tinge."

He said he was worried about what would happen to President Khondakar Mushtaque Ahmed and had already heard reports

UN call for six-month Sahara cool-off

By Our Own Correspondent

UNITED NATIONS, Nov. 4.

DR. KURT WALDHEIM, the UN Secretary-General, received an oral report by telephone today from his special emissary to Morocco amid signs of growing optimism here that the Spanish Sahara question would yet be resolved amicably.

Among a number of ideas Dr. Waldheim is understood to have proposed is the possibility that the UN establish a temporary administration in El Aaiun for about six months during which time the Spanish Sahara population would be allowed to decide their political future.

The Secretary-General said in his written report to the Security Council that the Spanish Government had informed him in the talks he had in Madrid last week of its willingness to have the UN set up a temporary administration. He also said that Morocco, Mauritania and Algeria, the other parties to the dispute, were ready for an "appropriate" UN role.

OUTER MONGOLIA

Socialism on horseback

BY DAVID LASCELLES

AFTER A long drive deep into the Mongolian steppe, our Russian-built Volga turned off the tarmac road and bumped up the hillside towards the distant silhouette of a horseman and his flock of sheep. Having toured the factories and housing estates of Ulan Bator, I was being taken to sample the traditional life.

centred chocolates, every Mongolian's weakness. My host made the traditional offer of snuff from a jade bottle worn smooth with age. I took it and was glad when the others did too and muzzed equally violently. Next came the tea, a bit of a misnomer since Mongolians pre-

lived in yurts and that well over half the population roamed the steppe.

Although officials like to present Mongolia as one striding along the road of progress, they make no secret of the difficulty of imposing socialism on a population which clings to traditional ways. Collectivisation, intro-

As in East Europe, religion is not banned, but receives precious little encouragement. Government policy is to let it wither away. Religious habits may, however, be a long time disappearing. On a private visit to a yurt occupied by a young family, I noticed that the place of honour, which had contained Lenin's photo in the official yurt, here displayed a picture of Buddha alongside sacred Tibetan texts wrapped in silk cloths.

Although officials like to present Mongolia as striding along the road of progress, they make no secret of the difficulty of imposing socialism on a population which clings to traditional ways.

pare their brew with milk and then add butter and salt making what looks and tastes like white soup. The heavy emphasis on dairy products continued as goat's, mare's and cow's milk cheeses were pressed on me along with tawny, a thick yoghurt.

I was then invited to ask questions. A brisk young agronomist, representative of the new generation of Mongolians, answered the trickier ones that lay beyond my host.

The couple, I learned, moved their yurt at least once a week as the flocks sought new pastures. In less than an hour they could dismantle the whole contraption and stack all their possessions on to the yak-drawn cart I had seen parked outside. Putting it up again took about the same time. The yurt was still in summer rig with only one layer of felt and plenty of draught holes for ventilation. In winter, when temperatures drop to 40° C below zero, they block up the holes and put on a second layer.

The couple had a son who was boarding at the farm's school at the administrative centre 40 miles away, one of the fruits of the government's literacy drive which it claims offers an education to every child no matter how remote its parental yurt.

When we eventually took our leave, my guide reminded me that eight of ten Mongolians

lived in the 1930s on the Soviet pattern, was forcible and bloody. Large numbers of herdsmen departed for China with their flocks in protest and never came back, a blood-letting from which the country is only just recovering. But at least that bitter phase is now only a fading memory for the older population, and it has probably been smoothed by the benefits of new health and education services, and of industrialisation.

There was a similar upheaval when the new communist government set out to smash the power of the Buddhist lamas who had a virtual monopoly of learning and owned vast tracts of land. The fact that every firstborn son was supposed to become a lama and take celibacy vows is said to explain why the Mongolian population has hardly grown since the days of Genghis Khan.

Having driven most of the lamas from the country, the Communists stopped short of abolishing Ulan Bator's status as the centre of Asian Buddhism. As a result Buddhist priests still come from all over Asia to be trained at the Ulan Bator monastery, an elaborate Chinese-style temple building high on a slope in the middle of the town. On a visit there one day I found the courtyard busy with workers spinning the prayer wheels and prostrating themselves before the shrines. But, as my guide pointed out, most were elderly women.

He may even spend his holidays on the Bulgarian Black Sea coast, thanks to amazingly cheap package tours offered by other Comecon countries. The air fare from Ulan Bator to Prague, a distance of 4,500 miles, is a mere £40 at the (admittedly unrealistic) official exchange rate. It is just over a fortnight's pay for the average worker.

"We are unique in having jumped straight from feudalism to communism," a Mongolian sociologist commented to me. "We have never known capitalism. Some might say that the lack of such a stepping stone makes it a harder jump. Perhaps it does. But we think we shall land on our feet."

(This concludes David Lascelles' reports on his visit to Mongolia. Previous articles appeared on October 15 and 29.)

Beirut tension eases further

BY HESAN HIAZI

BEIRUT, Nov. 4.

TRAFFIC JAMS and crowds of people on the streets characterised the relaxed atmosphere here today as the authorities kept at work to remove the remaining "pockets of resistance" which continued to mar the ceasefire.

Sporadic gunfire and the presence of armed men in certain areas hindered a complete return to normal life, but a promise that the remaining gunmen will be off the streets by early afternoon today. Even this is 12 hours later than the deadline he had set yesterday.

Civil servants have been instructed to report back to work and were warned that they would be punished if they do not show up at their offices tomorrow morning. Workers of the municipality of Beirut were especially urged to return to work right away in order to provide the necessary facilities for the public.

A regiment of the Lebanese Army seconded to the internal security forces moved into the business centre of town while other troops have been entrusted with security on the main highways.

Two of these highways, the one south to the town of Sidon and the one north to the port of Tripoli, were reopened today, thus allowing traffic to flow back from the provinces into the capital.

However, most shops here remained closed. Business sources expect the banks to reopen Thursday if the situation stays calm.

Government officials have pointed out that the stabilisation

described as the Israeli threat. Deputy Raymond Eddé called for the stationing of UN forces along Lebanon's border with Israel. Our Own Correspondent writes from the United Nations: Ignoring the Organisation's declared refusal to participate in a resumed Geneva conference on the Middle East, unless its terms were changed, Egypt today introduced a resolution in the General Assembly calling for an invitation to them.

The resolution before the General Assembly, now debating the Palestine question, proposed that the guerrilla group be given "an equal footing with other participants in the conference."

Egypt, Israel, Syria and Jordan were the participants previously invited, as well as the Soviet Union serving as co-chairmen. Israel and the U.S. have refused any claim to participation for the PLO.

Mrs. Gandhi relaxes political rigidity

BY K. K. SHARMA

NEW DELHI, Nov. 4.

THE Indian Government has decided to relax its approach to political problems from the rigidity that was followed when the emergency was declared on June 25, by mixing firmness with flexibility.

This means that it will continue its precautions to preserve the

"gains of the emergency," but will allow relaxations whenever it finds that "danger of undemocratic actions" has receded.

A senior Minister told me that "something could be done" about the release of detained opposition leaders only when the parties concerned decide to renounce their undemocratic methods.

He recalled that no political party has been banned and that nothing prevents them from saying that they do not intend organising violent agitations.

The government's view can be summed up as follows: "If political parties are prepared to observe the rules of the game there will be no objection if they reactivate themselves."

But, so far, the government has not found any such indication. Nor indeed has there been any dialogue between the government and opposition parties and the Sarvodaya leader who led the opposition movement before the emergency. J. P. Narayan, has not suggested that he wants talks. Official sources deny that any mediators have been asked to take the initiative and more specifically, Sheikh Mohammed Abdullah, Kashmir's Chief Minister, has not adopted the mediator's role as rumoured.

To preserve the gains of the emergency the government is considering mainly fresh action against those committing economic offences, more specifically those found evading taxes or indulging in smuggling and black marketing.

Oil embargo on S. Africa call

By Our Own Correspondent

UNITED NATIONS, Nov. 4.

THE SPECIAL political committee of the UN General Assembly today recommended the application of an oil embargo against South Africa and called urgently on the Security Council to invoke other economic sanctions to try to end the Republic's apartheid policy.

The U.S., Britain and most of the other Western members voted against the resolution, which was carried by 83 votes to 15, with 13 abstentions. Iran, a major supplier of oil to South Africa, was among those which abstained from voting. Portugal also abstained.

The resolution will go to the Assembly for endorsement by the plenary body.

Sithole backs 'fighting it out'

THE REVEREND Ndabaningi Sithole, a leading hardliner in Rhodesia's divided African National Council (ANC), said today that a stepped up guerrilla war would effectively bring about Black majority rule.

Peaceful talks on a Rhodesian settlement had failed, he said, and "the African people of Zimbabwe (Rhodesia) have no alternative but to fight it out with the white men so that they can establish majority rule in their own country."

The Rev. Sithole was interviewed on Uganda Radio in a broadcast monitored in London, Reuters.

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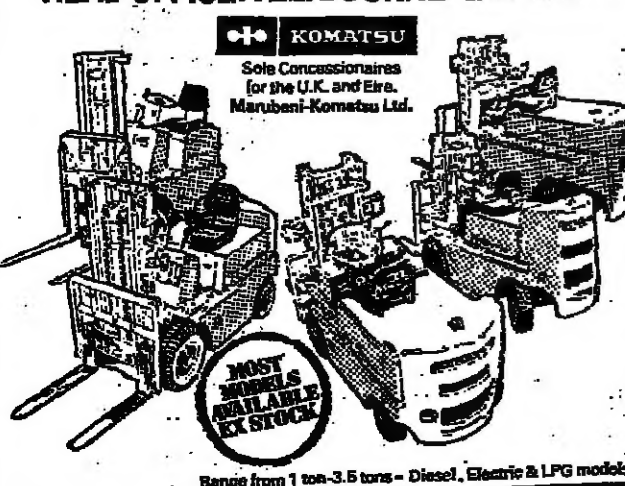
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EUROPEAN NEWS

Political jostling gains speed as Franco lingers

BY ROGER MATTHEWS

GENERAL FRANCO had a one-in-a-100 chance of surviving last night's three-hour operation which successfully stemmed the massive haemorrhage that he had suffered a few hours earlier, according to conversations with his chief surgeon published in tonight's Press.

This afternoon the general, who was given 7.5 litres of blood before and during the operation, was expected to be recovering from the effects of the anaesthetics and had even managed a few words with members of his family.

Mr. Carlos Arias, the Prime Minister, and his Cabinet colleagues were apparently convinced that General Franco would not last the night. Mr. Arias left General Franco's residence, the Pardo Palace weeping openly. Television programmes were extended by nearly three hours and once again key civil servants were summoned to their desks.

Thus the almost incredible two-week fight for life staged by the 82-year-old Head of State continues, although his medical team this evening repeated that his condition remained grave.

But with all Spain convinced that the Franco era is now finished in political terms, the manoeuvring for position is increasing. Christian Democrat parties together with their regional branches issued a statement this morning setting out their ideas for the future. These included immediate moves to the democracy, the setting up of a constituent process, freedom for political prisoners, recognition of political parties and an end to repression.

Significantly, however, they did not specifically reject the take-over by Prince Juan Carlos as Head of State. Political police raided a meeting of Christian Democrat leaders on Sunday night but did not make any arrests.

In the north-western province of Galicia the police announced today that they had arrested 24 members of the Maoist organisation FRAP, while another two were held in Madrid. Three members of FRAP were executed a few weeks ago having been found guilty by court martial of

murdering police officers.

The extreme Right has also been in action in Bilbao, beating up the mother and sister of a Basque activist who was executed at the same time as the three members of FRAP. The house in which they were living was also seriously damaged by the armed attackers.

Several more priests have been fined for sermons they delivered at the week-end. The biggest summary fine of \$4,000 was imposed on a priest in Granada but others had to pay between \$1,000 and \$3,000. Relations between the Church and State, already at an all-time low, may be exacerbated further over the funeral for General Franco.

The Primate of Spain was recently summoned to the Vatican apparently to receive instructions about his address to the tens of thousands who will attend the General's funeral. According to reliable sources the Franco family wants an open-air funeral to be held in the huge square outside the royal palace in central Madrid.

Azevedo worried by continuing disorder

BY PAUL ELLMAN

LISBON, Nov. 4.

SIGNS OF friction emerged here to-day between Portugal's sixth provisional Government and the military leaders who retain ultimate authority in the country.

A Cabinet statement issued in the early hours of this morning called for a joint meeting between ministers and the Revolutionary Council — Portugal's top decision-making body — to discuss disorder in the country.

The statement said the Government considered it opportune to "point out that enforcement of the laws it passes depends on military and paramilitary forces, the armed wing of the people."

This was taken here as a warning from the Government to the leadership of the Armed Forces Movement (AFM) that it was not willing to face alone the consequences of continuing indiscipline inside the armed forces.

This theme was taken up by the Prime Minister, Admiral Jose Pinheiro de Azevedo, during a visit to Faro, capital of the Algarve region in southern Portugal. The visit is the second the Admiral has made to the provinces in a bid to boost

popular support for the sixth Government.

At a Press conference, the Prime Minister confessed frankly: "I don't have the authority or capacity to govern."

In what was seen as a further criticism of the AFM leadership, he refused to condemn civilian Leftists who have attacked his Government. He described their criticisms as "creative."

Later, addressing a pro-Government rally sponsored by the Socialists and the Popular Democrats, the Prime Minister also referred to the need for a plan being floated by the Communists in favour of creating a federal system of government in Portugal. He warned that while the Government adhered to a plan for five regional authorities, the country could not at the same time hope to develop without a strong central power.

Meanwhile, it was confirmed in Lisbon that Marine units will begin manoeuvres to-morrow on the coast near the capital. The confirmation came against a background of a barrage of claims and counter-claims concerning alleged Right-wing plans to use nationwide military manoeuvres as cover for a coup timed to coincide with Angolan independence next Tuesday.

U.K. to stay firm on oil dialogue

By Reginald Dale, Common Market Correspondent

BRUSSELS, Nov. 4.

BRITAIN IS expected to maintain its uncompromising demand for a separate seat at the forthcoming world conference on energy and raw materials during the two-day Council meeting of EEC foreign ministers that starts here to-morrow. In spite of strong pressure from his Community partners, who want a single EEC delegation, British Foreign Secretary James Callaghan is apparently in no mood to withdraw his claim or even put forward a compromise.

Britain says it is ready to accept an EEC delegation to speak on matters where the Community has competence; indeed, the U.K. is actively participating in preparing a joint Community position. However, the British point is that there will be issues over and above those covered by the EEC position on which the U.K. must speak separately to defend its special interests.

The British line makes it unlikely that any final decision will be taken before the next EEC summit in Rome on December 1 and 2. However, compromise is not seen here as impossible. If France, as seems likely, addresses the conference as "technical chairman," it might be possible to fit in a special British statement. It might also be feasible to appoint a British speaker for the EEC on one of the four commissions due to be set up at the December meeting.

Eurogroup arms talks

By Malcolm Rutherford

DEFENCE ministers of the tenation Eurogroup will hold a special meeting in The Hague to-day aimed at finalising a joint approach to the U.S. on the so-called "two way street" in arms traffic. The approach would be made to the U.S. at the regular meeting of the Nato Defence Planning Council in Brussels next month.

The "two way street" means a more equal exchange of arms and related equipment between Europe and the U.S.; the Europeans currently buy vastly more arms from the U.S. than the other way round.

The idea is to save money and improve efficiency by ensuring that Nato members have more standardised equipment.

One problem is that France is not a Eurogroup member and is disinclined to join. But France is a major arms producer by European standards and would have to be included in any large-scale European cooperation.

The French seem to be coming round to the Eurogroup view while stopping short of full association. The French are not in Nato's integrated structure but continue to take part in the Alliance's Committee of National Armaments Directors (CNAD), and it may well be that this will become the chosen body for closer U.S.-European cooperation. France-Turk deal Next page

OECD still gloomy over trade

BY ROBERT MAUTHNER

PARIS, Nov. 4.

A GLOOMY forecast by the OECD Secretariat of the prospects for world trade over the next year dominated the discussions to-day of the organisation's Working Party Three, the high-level group which deals with balance of payments problems.

Echoing statements by M. Emile Van Klenep, the OECD secretary-general, last month, the Secretariat indicated to senior Treasury and Central Bank officials of the member countries that the much-heralded economic upturn could well be much more modest than originally expected.

Similar caution was expressed by the U.S. Commerce Department last week about American economic recovery, while International Monetary Fund managing director Dr. Johannes Willemsen was notably pessimistic at a recent Press conference, about the extent of the West German recovery of economic activity.

Symptomatic of the slow recovery of the economies of the major industrialised nations are the Secretariat's forecasts of a much lower global payments deficit in 1976 for the area as a whole than predicted only a few months ago.

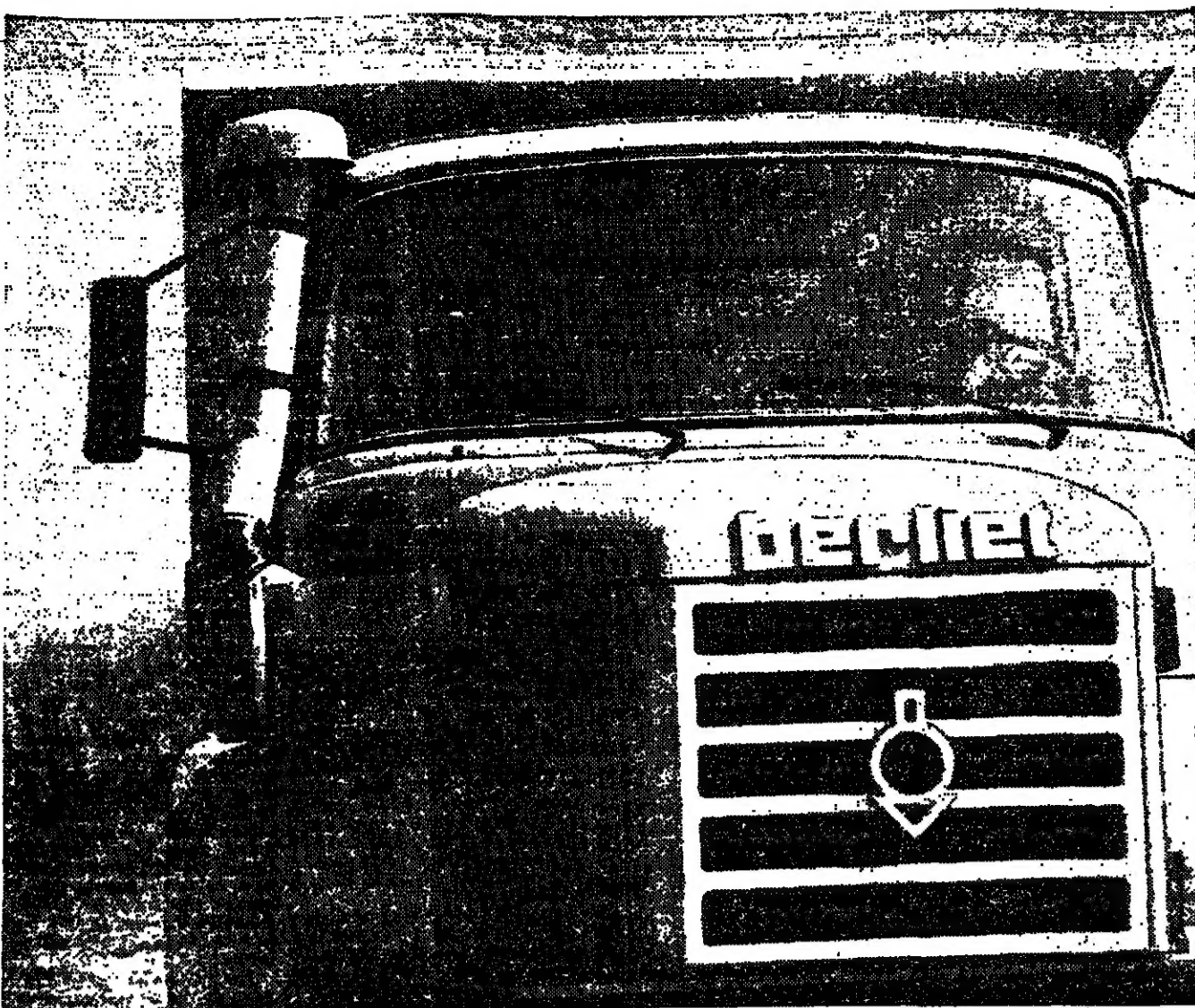
The overall deficit will certainly be lower than \$10bn. and could even fall to \$5bn. in

the current year, according to some experts, compared with an original forecast of \$15bn. Next year, however, it is expected to rise again to \$10bn. to \$20bn. reflecting at least a moderate recovery of economic activity.

Having been proved far out in its recent forecasts of the world economic situation, the OECD Secretariat is more than usually cautious in its current estimates. Over the past year, it was caught unawares by the rate at which stocks were run down and it is now emphasising that its current forecasts are necessarily based on a number of uncertain assumptions.

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Banque de Paris et des Pays-Bas	Banque Populaire Suisse (Unterwieschen) S.A.	Banque de l'Union Européenne
H. Albert de Bary & Co. N.V.	Bayerische Hypothek- und Wechsel-Bank	Bayerische Landesbank
Calais Centrale des Banques Populaires	Continental Bank S.A.	Crédit Industriel d'Alsace et de Lorraine
Crédit Industriel et Commercial	Crédit Lyonnais	Crédit du Nord et Union Parisienne
Credito Italiano	Richard Dams & Co.	Den norske Creditbank
Domitio Securities Corporation Harris & Partners	Dresdner Bank	EuroPartners Securities Corporation
First Boston (Europe)	Jardine Fleming & Co. Ltd.	Genossenschaftliche Zentralbank
Girozentrale und Bank der Österreichischen Sparkassen		Goldman Sachs International Corp.
Hill Samuel & Co.	International Marine Banking Co.	Istituto Bancario San Paolo di Torino
Kidder, Peabody International	Kjøbenhavn Handelsbank	Kleinwort, Benson
Kuwait Investment Company (S.A.K.)	Manufacturers Hanover	McLeod, Young, Weir & Company
Samuel Montagu & Co.	Morgan Grenfell & Co.	Nederlandsche Credietbank N.V.
Norddeutsche Landesbank	Peterbroeck, Van Campenhout Securities S.A.	Pierson, Heiding & Pierson N.V.
Post-och Kreditbanken, PKbanken	Privatbanken	Rabomerica International Bank N.V.
J. Henry Schroder Wagg & Co. Limited	Skandinaviska Enskilda Banken	Smith, Barney & Co.
Société Générale de Banque S.A.	Société Générale de Banque	Strauss, Turin & Co.
Swiss Bank Corporation (Overseas) Limited	Vereins- und Westbank	J. Vontobel & Co.
Westfalia Bank	Williams, Glyn & Co.	

EUROPEAN NEWS

Soviets submit new timetable for European summit

BY LESLIE COLLIT
BERLIN, Nov. 4.

THE LONG delayed European summit conference, set for East Berlin could take place next month, according to a timetable put forward by the Soviet Union.

East European sources here say plans are for Mr. Leonid Brezhnev, Soviet Communist Party Secretary-General, to attend the top-level meeting in the East German capital along with the leaders of the other European parties, East and West.

Six-month delay

Preparations for the summit have been stalled for more than six months as several parties refused to accept the Soviet concept of a joint action programme binding on the other Communist parties.

At a preparatory meeting in East Berlin last month, Moscow offered a compromise draft document through the East German delegation. The Soviet promised a milder form of allegiance by the other parties to Moscow's ideological and political role in the movement.

In addition, the Soviet party said the final document would contain no references to class struggle between Communists and other parties. The situation in Portugal would likewise be excluded as well as the original Soviet idea of a condemnation of the Russians are said to feel they have now given enough and urgently want the conference to be held before the year is out.

The Soviet view is that whatever differences remain can be worked out before this month's meeting of the drafting committee, which will prepare the final document.

The East German Communist Party, as the host, has just held meetings to this end with the head of the French Communists, M. Georges Marchais, and a delegation of Italian Communists.

The East Europeans say one issue may still be emotive enough to cause the further delay of the conference. This is the wording of the "loyalty" pledge that the other parties will, in effect, be taking towards the Soviet Union. They hope the Soviets will accept an expression of "devotion" that is milder than any previous conference. The Yugoslavs, Spanish, Italians and French indicate they will only agree to acknowledge the historic role of the Soviet Party and its function as a reference point for Communist parties elsewhere.

Military links

Some East Europeans believe that if Moscow does go along with the toned-down form of allegiance, it will want to strengthen its military and political links with the East European Communist countries. It would be to assure that concessions "made to the Western Communists are not taken to heart by the East Europeans." They mention, in this connection, the last month's new friendship treaty between the Soviet Union and East Germany as an example of the axiom that "confidence is good but control is better."

WEST GERMAN COMPUTER TECHNOLOGY

Willing to take on America

BY NICHOLAS COLCHESTER, BONN CORRESPONDENT

WEST GERMANY knows that it can preserve its wealth only by remaining at the forefront of advancing technology as industrialisation spreads across the world. For this reason alone it cannot ignore the computer business. The business is of strategic importance. It does not pollute. It does not require quantities of imported raw materials. It is inexorably insinuating itself into every area of the engineering business, at which Germany excels. So the importance of the Government's computer policy is out of all proportion to the 0.6 per cent. share which the business has in German industrial production.

This policy is now in a state of flux. The idealistic picture of European companies forming a team to do battle with international Business Machines has been shattered with the collapse of Unidata. The emerging alternative in Germany is nationalism in computer development and procurement. To some extent it is a reaction to the disappointment over Unidata, in tune with a disillusionment with European co-operation that is visible in other German business sectors—the aerospace industry, for example.

West Germany currently runs more than 12,000 large and medium sized general-purpose computers. They are worth about \$3.5bn. and they account for three-quarters of the value of all computers operating in West Germany. There is only one German company that matters in this field of production, and that is Siemens.

At the beginning of this year, Siemens had supplied 20 per cent. of Germany's general-purpose computers (by value) compared with IBM's 55 per cent. Siemens is catching up. It was responsible for 28 per cent. of the computers newly installed in 1974 against IBM's share of 41 per cent.

Siemens has only been able to do so well by absorbing continuous losses in its computer business, and by using Government research and development money. The Government is now trying to reorganise its thoughts to decide where "third data processing" Programme should direct Government funds. The Minister for Research and Technology, Herr Hans Matthöfer, has now submitted his recommendations to Parliament. They are the product of much discussion with Siemens and are clearly shaped around that company's emerging policies. Indeed the Minister's critics believe that Siemens carries too much weight in his thinking. For this reason and because the Government's data processing budget is suffering from the current campaign for thrift, there may be at least an element of wishful thinking in the Matthöfer proposals.

The basic thesis is that it is no longer true that European computer technology is necessary to develop a family of computers to compete with American systems. Germany, say Siemens and Herr Matthöfer, has closed the gap in component technology between itself and the U.S. The emerging German technology admits that the development of an operating system that will make it possible for Siemens to build an entire family of computers by itself, provided that it makes imaginative use of licensing agreements to supplement its own skills.

The Ministry submits that will also support research into even small general purpose computers will soon be able to be

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U.S. and France. CII will still come up with the 7760 and the 7770 on schedule. Siemens need these two big computers to complete the top end of the 7700 range and would be able to offer them on the strength of either a licensing or a delivery agreement. Siemens' access to the 7720, originally a Philips computer, remains uncertain. It is not an ideal situation, but at least not wholly unsatisfactory.

The Technology Ministry makes it clear that the 7700 range must be brought up to date as new technology becomes usable, and that its sales must be pushed hard. The Ministry wants Siemens to build up its rental base by 1980 to the point where it can finance the successor series of computers without Government assistance. It is largely to increase the likelihood of this coming about that the Ministry also advocates a more nationalistic policy of computer procurement in the West German public sector during the rest of this decade. In its latest paper, the Ministry suggests a number of ways in which procurement policy can be changed. It wants to standardise the way in which computer performance is specified in West German requests for computer tenders. It wants to standardise the way in which tenders are judged. In particular it wants to make it difficult for public sector computer buyers to submit specifications that are clearly aimed at a particular machine, and presumably an IBM — (DM450m.) had 13 per cent. All three companies export an ordering has been achieved, the Ministry wants to establish that West German and European computer manufacturers are given preference when they offer the same performance for roughly the same price.

Because it is usually expensive for a computer user to switch its loyalty, the Ministry also suggests that special Government assistance should be given to any public authority that decides to change over from a foreign system to a German one. The Ministry is aware that these suggestions are not wholly in keeping with the European spirit of free trade, and that the Government cannot boost German procurement indefinitely. So the German Government has told the EEC Commission that it is in favour of the latter's anti-protectionist public procurement guidelines, but that they will apply to the German data processing industry only from January 1, 1980.

While the Ministry's main aim in the general computer field is to switch tactics in the battle against the Americans, its chief concern in the business of small computers is to protect the market position that German companies have already established. At the beginning of 1974 Nixdorf Computer (1974 turnover DM 581m. or about £100m.) accounted for 25 per cent. of West Germany's installed small computers. Kienzle Apparate (computer turnover DM 123m.) had 15 per cent., and the German Philips company (DM450m.) had 13 per cent. All three companies export an ordering has been achieved, the

Ekofisk explosion caused by corrosion of pipeline

BY FAY GJESTER
OSLO, Nov. 4.

SATURDAY'S explosion and fire in the Ekofisk field of the North Sea was caused by a pipeline corroded by sea water, an official of the Norwegian Petroleum Directorate said to-night.

Mr. D. Meier Hansen admitted that no expert had foreseen the possibility that one of these pipelines could rust so rapidly, even under the tough conditions in the North Sea. The line that ruptured, on production platform Alpha, had been installed only about two years.

It had been believed that North Sea structures could withstand corrosion for some 30 years if properly protected. However, the pipe may have had its protective covering damaged by a supply ship, Mr. Meier Hansen said.

Asked in a television interview if the unexpectedly rapid rate of corrosion could represent a risk for other North Sea installations, particularly the giant undersea pipelines linking oil and gas fields with Britain and West Germany, Mr. Meier Hansen said that he did not believe the undersea lines could corrode so rapidly. These lines were better protected, by concrete casing. And the fact that corrosion of the Alpha pipeline took place from the outside inwards was a positive element.

Mr. Meier Hansen said inspection of North Sea structures would now have to be stepped up, in view of the accident, though it might prove difficult to find enough qualified inspectors for the work.

France signs deals for supply of Russian gas

BY RUPERT CORNWELL
PARIS, Nov. 4.

THE FRENCH utility Gas de France has signed agreements with West German and Austrian companies for piping Soviet natural gas into France at the volume of 4,000 cubic metres annually from 1980.

These latest arrangements appear to finally settle the long vexed question of imports of Russian gas into the country. They also form a new piece in the complicated jigsaw puzzle of European gas supplies, involving not only the partners mentioned, but Italy and Algeria as well.

GdF has set up two companies, respectively with Ruhrpots of Germany and OeMV of Austria, in each of which it will hold slightly less than a 50 per cent. interest. They will handle the construction of three pipelines: the first from Bratislava in Czechoslovakia across Austria into Germany, the second across Austria to join up with the Soviet-German pipeline at Waldhaus, and the third to the French frontier from the present German terminal at Gersheim.

The deal has been made necessary by the virtual collapse of the Eurogas negotiations with Algeria. Originally, Austrian companies as well as GdF, were part of the five-nation consortium, but pulled out last November. Since then, price and financing problems have led to the breakdown of negotiations, and have contributed in part to the present somewhat frosty relations between France and her former colony.

The failure has also forced everyone to abandon the neat plan of letting GdF take Algeria gas which was destined for Austria and having Ferogas of Austria take Soviet gas intended for France, in an effort to cut shipment costs.

Algeria in the meantime has recorded some notable successes in recent weeks in selling its gas. Not only has the State energy utility Sonatrach signed a massive contract with Enagas of Spain for 4.5bn. cubic metres annually over 20 years, but has also finally secured Federal Power Commission approval for El Paso Natural Gas to buy 10bn. cubic metres of Algerian gas over 20 years.

The price at which the supplies will be sold was not revealed. Sonatrach, however, has said that although it can be adjusted in line with market trends, the price will not fall below a certain guaranteed level.

French arms for Turkey

BY METIN MUNIR
ANKARA, Nov. 4.

THE Foreign Minister made these remarks at a news conference following his talks yesterday with his French counterpart, M. Jean Sauvage, who completed a two-day official visit to Turkey today. His visit was intended at reactivating the depressed relations between Turkey and France which have been cool since 1972. Both Ministers expressed satisfaction at their talks.

A high-powered joint study group will start work within five months to increase economic co-operation, boosting trade and investment in Turkey. Particularly in the fields of forestry, foodstuffs and shipbuilding.

Mr. Caglayangli said that after the U.S. embargo on arms to Turkey—now partially lifted—the Government had decided to diversify and reinforce Turkey's supply of weapons and France was among industrialised countries contacted for this purpose.

Swedish nuclear troubles

BY JOHN WALKER
STOCKHOLM, Nov. 4.

SWEDEN'S five nuclear power stations were out of action for more than half the third quarter of this year, the National Nuclear Power Inspection Board states in its report for the third quarter of 1975. There were 25 stoppages, most of them coming under the heading of an emergency, but it is stated that there was no danger to personnel. The main faults occurred in the turbines.

Of the five stations only the one at Oskarshamn is in commercial operation. The other four are still being "run-in."

Station Two at Ringhals has been out of action for four-and-a-half months, has only one of its two turbines operational, and is well behind schedule, the report says. These continuous faults in the plants are likely to set back the whole of the country's nuclear power programme and provide more ammunition for the anti-nuclear lobby.

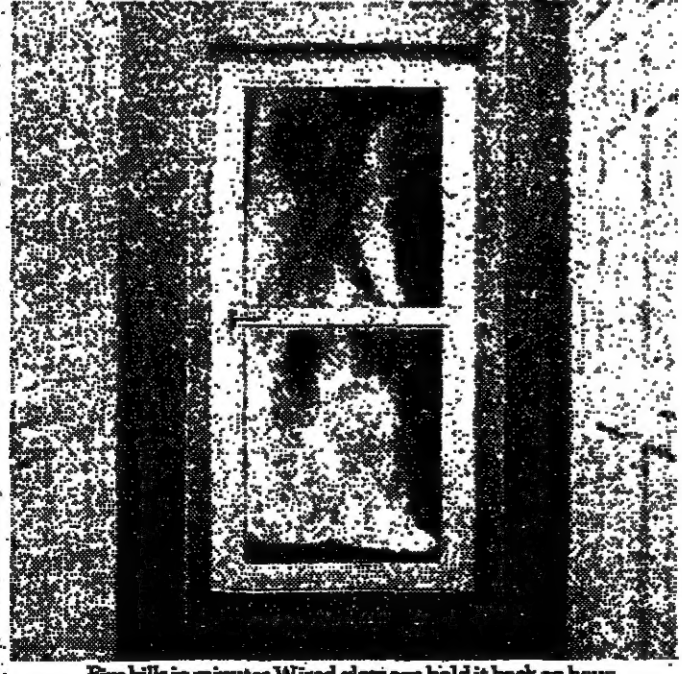
The least important thing about glass is you can see through it.



Solar Control glass takes the discomfort out of the sun.



'Armourplate' glass opens Squash to the public.



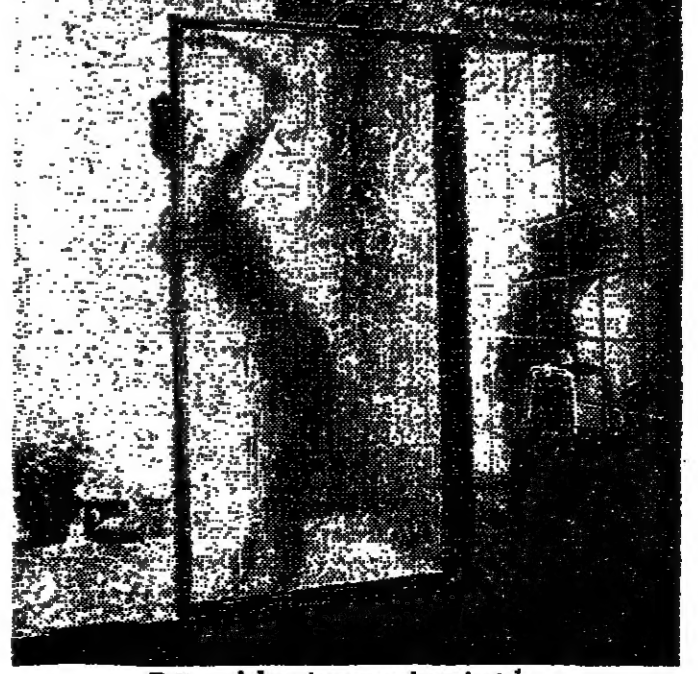
Fire kills in minutes. Wired glass can hold it back an hour.



Glass can be blast resistant, even bullet-proof.



Acoustic glazing can reduce the noise outside the room.



Patterned glass gives you privacy in style.

Did you know that glass can allow you one hour to escape incineration?

That the right glass can admit the light of the sun but exclude both its distracting glare and the build-up of excessive heat?

That if glass had been used 2 years ago in this country as it could have been, we would now be richer by hundreds of millions?

Then listen, because it matters.

We'll never know till we try.

As multiple glazing, glass keeps heat in to a degree incomparable with single glazing. It can save millions of pounds in both the installation and running of heating and air conditioning.

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In February 1974, by replacing the back wall of the Abbeydale Park Squash Rackets Club's number 1 court, it allowed a million TV viewers, for the first time ever, to watch Barrington beat Hunt.

As solar glazing it can absorb and reflect the sun's energy to an exactly calculable degree and provide exteriors that will take your breath away.

Multi-laminated in a thickness of no more than 1 1/2" it will resist an armour-piercing .303. Wired, it can resist fire for a minimum of one hour before collapsing.

In interior decoration it can be a whole new means of expression.

All this, yet as a nation that leads the world in glass technology we put it in to see through. And then shut our eyes to it.

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Glass. We make it work harder for you.

HOME NEWS

Tunnel Holdings to shut cement plant next year

BY MICHAEL CASSELL

TUNNEL HOLDINGS is to make 680 employees redundant when it shuts one of its cement production plants next year.

The company said last night that all manufacturing at its works at West Thurrock, Essex, would cease at the end of April.

The plant has an annual capacity of just under 1m. tonnes a year, accounting for nearly a third of the company's total output.

Mr. J. D. Birkin, chairman of Tunnel, said that the point had been reached where the West Thurrock operation could not continue any longer.

The plant was old and it had become increasingly difficult for it to compete with the type of production facilities elsewhere in the cement industry.

Because of the plants age the operation of West Thurrock necessitated high manning levels and its fuel efficiency was running 29 per cent, below the industry average.

Tunnel also pointed out that chalk extraction to feed the plant was becoming more difficult and more expensive and statutory pollution regulations would require expenditure of a minimum of £5m.

Marginal

Mr. Birkin said that a combination of many factors was turning what had for some time been a marginal operation into a serious loss-making situation. The losses would continue if West Thurrock remained in production and would lead to "an accelerating drain on the company's resources and jeopardise its future."

The decision to close the plant comes in spite of an earlier cost saving programme by Tunnel which has been introduced throughout the cement manufacturing industry over the past 18 months.

There have been six increases since May last year taking the price per tonne of Portland cement from about £9.30 to £16.70.

Tunnel says that since last year's cost saving exercise, costs have continued to rise and sales have remained well down.

With the cement sector now operating at 70 per cent of its capacity—down to 50 per cent at West Thurrock—there seemed little prospect of a mid-term improvement in home demand and good export prices for cement from the Essex works were no longer available.

Mr. Birkin said that in spite of the closure, Tunnel—which has a wide range of activities associated with the construction sector—intended to stay in cement production.

No other part of its cement operations would be affected and the company would continue with Thomas Ward as joint owners of Ribblesdale Cement.



Sir Brian Morton (right), new chairman of Harland and Wolff, being shown round the Belfast shipyard yesterday by Lord Rochdale, his predecessor.

World ship orders at three-year low

BY JAMES McDONALD, SHIPPING CORRESPONDENT

THE TWO-YEAR depression in shipping and shipbuilding industries is reflected in a decline during the third quarter of this year of 9.4m. gross tons in the world shipbuilding order book to 82.7m. tons—the lowest level since the end of 1972, according to Lloyd's Register of Shipping statistics, published today.

Lloyd's Register says that more than 1.5m. gross tons (30m. deadweight tons) of tanker tonnage has been cancelled in world yards in the first nine months of this year. Almost 8m. gross tons (16m. deadweight tons) is still pending cancellation or renegotiation for alternative tonnage.

As a result the world tanker order book has declined by over 10m. tons during the quarter and the rise of almost 1m. gross tons in the dry cargo order book is largely due to the replacement tonnage for tanker cancellations.

At the end of September there were 2,253 merchant ships, aggregating 35.5m. gross tons under construction in world shipyards—1m. tons more than three months earlier and the highest quarterly figure ever recorded.

However, only 2,396 ships, totalling 57.5m. gross tons, remained on order on which work had not commenced. This was 10.4m. tons less than three months earlier.

Over the past quarter Japan, although still leading with an order book of 37.5m. gross tons, has suffered a 4.8m. tons drop in its orders total. Sweden, with the second largest order book, registered a decline of over 500,000 tons to 6.7m. tons, by orders placed in the U.K.—lying

third—declined only 98,000 tons to 6.3m. tons.

The British industry, though, has doubts over the remaining Swan Maritime orders for 13 vessels hanging over it.

Merchant ship tonnage launched during the third quarter of this year was the lowest since September, 1973, at 7.7m. tons (9.3m. tons in the second quarter). Tonnage completed, at 7.2m. tons, compared with 9.3m. tons the previous quarter.

Buy British

British shipbuilders are soon to start talks with the General Council of British Shipping in the hope that U.K. shipowners will place more orders with the industry. Mr. A. Ross Beale, president of the Shipbuilders and Repairers National Association, said in London last night.

"We are conscious that proposals to link our two industries together in some way are causing concern among some British shipowners and I would simply like to stress again that we have never, nor will we ever, suggest that British shipowners be compelled to build their ships at uncompetitive prices in our shipyards here in the U.K."

"Rather, we have suggested that together we should try to find some formula to make it worthwhile for our British owner friends to buy British."

Alternatively, "the answer may be that we will have to build for 'stock', possibly under the auspices of some Government agency and hope fully with the full co-operation and understanding of the British shipping industry."

Devolution warning to Labour MPs

By Chris Baur, Scottish Correspondent

AN UNUSUALLY sharp criticism of its own Parliamentary representatives was made yesterday by the executive committee of the Labour Party's Scottish Council. It accused Scottish Labour MPs of creating confusion about the Government's proposals for establishing a Scottish Assembly.

The chairman of the executive, Mr. Tom Fulton, reminded MPs, at a meeting of the 41-strong Scottish Labour contingent at Westminster, that they must stand by their election pledges on devolution.

His main target was Mr. Norman Buchanan, MP for West Renfrew, who suggested at the week-end that the Government hold a referendum on Scottish independence before a legislative assembly was created in Edinburgh.

Mr. Fulton said this was "nothing more than a subterfuge for inaction."

Mr. Jim McGrandia, acting secretary of the Scottish executive, told MPs their job was to ensure the assembly proposals were carried through Parliament.

The local party and the Scottish people in general were "fed up with Labour MPs who continually hog the headlines with all kinds of ill-considered proposals" and counter-proposals.

The criticisms are made more pointed by the fact that they preceded yesterday's Scottish Parliamentary group elections of office-bearers, in which Mr. Buchanan was competing with Dr. J. Dickson Mabon (MP, Greenock) for the chairmanship.

Scunthorpe furnace disaster 'caused by water leakage'

BY ROY HODSON

WATER FALLING into a 250-tonne ladle of molten iron is thought to have been the cause of an explosion at a Scunthorpe, Lincolnshire, blast furnace early yesterday morning which killed five men and injured 13 others.

The disaster was the most serious mishap in a British steel-works since six men were killed at Ebbw Vale 12 years ago. Since steel nationalisation in 1957, both the public and private sectors of the industry have had good safety records.

Sir Monty Finniston, chairman of the British Steel Corporation who travelled to the scene of the accident at the Appleby-Frodingham works attributed the accident to the water leak after consulting officials.

The water is thought to have come from the blast furnace cooling system. As it fell into the ladle there was an explosion which sent a fountain of liquid iron across the furnace complex. Steam collected in the confined space and blew a hole in the roof.

Sir Monty said that there would be an inquiry into the accident. Mr. Harold Ward, Employment Under-Secretary, told the Commons that he did not rule out the possibility of a public inquiry.

The Health and Safety Commission has ordered its executive to investigate and make a

report which will be published. Eight of the victims were the furnace crew, four were helpers from other furnaces, three were pipe fitters, and others were a foreman, a locomotive driver and a shunter.

Four men were killed outright and a fifth died in hospital. Ten of the injured were still in hospital last night, but three were discharged.

The furnace at which the accident happened is called the Queen Victoria and is one of a line of four — "the Queens" — which dominate the Scunthorpe skyline. Two were built before the war to convert local iron ore. The Queen Victoria and another were added in the 1960s to increase capacity.

Nowadays they are fed with a mixture of imported and local ore to provide steel for the BSC's £240m. Anchor Steelworks. The Queen Victoria will be out of action for at least several weeks.

The Scunthorpe plant is the highest steelmaking complex in Britain and one of the most efficient. It has been at 75 per cent capacity at times when some works have been down to 50 per cent.

The Queen, who visited the works last year sent a message of sympathy to the steelworks and the Prime Minister sent a message to the Mayor of Scunthorpe.

Alliance tries to extend Ulster Assembly's life

BY GILES MERRITT

BELFAST, Nov. 4

THE MODERATE Ulster Alliance Party today made a last-minute attempt to extend the Assembly's life. The Ulster constitutional Convention moves inexorably towards its close to-morrow, when the Loyalist majority is to vote dismissal in rejection of power-sharing and speedy approval of the report itself.

Meanwhile, the Vanguard Party is making it clear that while it will vote in support of the UUUC report at Thursday's session, it will subsequently push its controversial proposals on emergency coalition government involving the mainly Catholic, Social Democratic and Labour Party.

Ulster's Convention report is due to be debated at Westminster on November 26 and in the week before that Vanguard leaders plan to mount a strong lobbying campaign in London.

There seems very little chance, however, that the Alliance amendment will not be brushed impatiently aside by the United Ulster Unionist coalition's majority in the Convention.

The UUUC is in no mood to see its report to Westminster amended or delayed. This afternoon, at the Convention's penultimate session, the UUUC pushed a lengthy appendix to the report through the Assembly with arrogant despatch consisting of a draft Bill outlining future devolved government in Northern Ireland. The entire session, including approval of the 76-paragraph appendix, lasted

just 10 minutes. The Alliance Party's amendment will be debated by the Convention to-morrow as part of the wind-up proceedings, and it seems quite possible that its dismissal will be as automatic as approval of the report itself.

Ulster's Convention report is due to be debated at Westminster on November 26 and in the week before that Vanguard leaders plan to mount a strong lobbying campaign in London.

Shirebrook Colliery near Chesterfield, North Derby, has produced its millionth ton of coal this year, the National Coal Board said yesterday. Average output per man shift is 70 cwt compared with the national average of 49 cwt.

ABTA declares war on cut-price air ticket agents

BY ARTHUR SANDLES

A WAR against cut-price travel agents selling cheap airline tickets is about to be launched by the industry.

The travel "Establishment," in the form of airline and travel agency organisations, is keen to prevent the public being able to buy tickets which are widely sold at up to 50 per cent below the official price.

At the moment, travellers can shop around and buy tickets to most places, particularly the Eastern Mediterranean, the Caribbean, South America and the Far East, at considerably below published prices.

The situation has been caused by general sluggishness in travel worldwide, which has produced a surplus of airline seats. International regulations are intended to prevent tickets being sold below agreed minimum prices.

Enforcement

Considerable disagreement exists over what should be done, except over the basic idea that action must be taken. Agents who stick to the rules want the airlines to discount tickets officially.

The airlines are keen to encourage their central enforcement agency, IATA (the International Air Transport Association), to crack down on agents who break the rules. This would involve withdrawal of IATA ticket selling rights.

The Association of British Travel Agents, which is meeting in Miami Beach, is launching the operation. Mr. George Skelton, president of ABTA, estimates the U.K. ticket discount market at \$40m. this year.

ABTA is now threatening to expel any member who indulges in discounting (non-membership makes it difficult for an agent to continue operations) and is pressing IATA to get tough with its members.

Four British tour operators face investigation by the Association of British Travel Agents into charges of having an above-average number of complaints from holidaymakers during the past summer. Three companies — Cosmos, Swans and Intasun — are among the best known operators in the country.

The complaints are likely to be heard by an ABTA disciplinary committee within a few weeks. The association monitors the complaints it receives from package tour clients, and it is understood that the operators named have consistently featured high in the league table.

The investment problems of the textile industry in Europe as a whole have also been drawn to the attention of the EEC Commission by Eurotexton, the organisation representing the cotton spinning and weaving industries in the nine EEC countries.

Aid scheme for U.K. textile industry

By Rhys David

BRITAIN'S cotton and allied textile producers may seek aid under the Industry Act after indications from the Government that it is prepared to consider assistance.

The Government's hint about help for the industry came at a meeting yesterday between the British Textile Employers Association and Mr. Eric Varley, the Secretary of State for Industry.

Dr. Philip Smith, the Association's vice president, said afterwards that a delegation had told Mr. Varley of their fears about the industry's future.

Mr. Varley said he was keen to invest in the future as a result of the continued pressure for minimisation at a time of weak home demand.

Competitive Although the industry was suffering from the under-utilised capacity in spinning and weaving there would still be a need to re-equip in order to remain competitive internationally.

The need for Government aid to help the industry through to 1978 and beyond had been put to Mr. Varley who had indicated that any proposals for help under the Industry Act would be looked at.

The investment problems of the textile industry in Europe as a whole have also been drawn to the attention of the EEC Commission by Eurotexton, the organisation representing the cotton spinning and weaving industries in the nine EEC countries.

Island award

By Our Channel Islands Correspondent

A NEW AWARD for the appearance of industrial and business premises in Guernsey has been won by the American oscilloscope manufacturing company of Tektronix.



BHP CHAIRMAN

OUTLINES MINERAL PROJECT PLANS.

At the Annual General Meeting of The Broken Hill Proprietary Company Limited, held in Melbourne recently, the Chairman, Sir Ian McLennan, outlined mineral project plans.

At the Blackwater coalfields in Queensland, production has commenced at Cook colliery. Some headway has also been made with mining operations at the adjacent Leichhardt colliery where gaseous outbursts have made underground conditions very difficult. Various procedures to mitigate the problem are being pursued including the commissioning of special mining units which it is hoped will lead to increased productivity.

Planning for the development of the Gregory mine, about 80 kilometres from Blackwater, is in hand. Here there are large reserves of coal that can be won by open cut methods.

Planning is also proceeding for the development in the southern NSW coalfields of the Bargo colliery in which BHP have a joint interest with Coal & Allied Industries Ltd and Peko-Wallend Ltd.

During the year production and shipments of iron and manganese ores increased substantially. Recently, in keeping with the slackening world trade in steel, there has been a fall in the demand for iron ore. To a lesser extent, demand

for manganese ore has also weakened, although existing sales commitments will fully load the plant at Groote Eylandt through the current year.

At Cockatoo Island, trials have begun to determine the feasibility of mining by underground methods the considerable reserves of high-grade iron ore which are below sea level.

BHP recently decided to purchase half the railroad and port facilities of Cliffs Robe River Iron Associates by exercising options under the agreement made in 1969. BHP will use these facilities in the development of our Deepdale iron ore deposits. The purchase price to the Company has not yet been finally determined but is likely to be about \$43,000,000. BHP is now seeking export contracts and the progress of this major project will depend on the success of obtaining these.

The preliminary stage of the tin mining venture at Kelapa Kampit has now been completed. Planning for further development is in hand, but the timing depends on the allocation by the Indonesian Government of a share of its tin quota under the International Tin Agreement.

In Papua New Guinea some encouraging results have been obtained from exploration drilling on the Yandera copper prospect,

BHP's year in figures

	1974/75
Raw steel production—tonnes	8 017 000
Crude oil production—barrels	64 800 000
Group sales	\$1 763 077 000
Net profit before extraordinary items	\$109 535 000
Items	(\$5 207 000 Loss)
Minerals industry section	\$31 279 000
Petroleum industry section	\$69 272 000
Other subsidiaries & investments section	\$14 181 000
Extraordinary items	\$ 1 300 000
Number of BHP shareholders	191 000
Dividends paid to BHP shareholders	\$59 792 000
Rate of dividend on shares	15.3%
Dividend per share	31c
Number of Group employees	63 000
Salaries and wages paid	\$551 477 000
Expenditure on freeholds, leaseholds, plant & machinery	\$298 330 000

undertaken under the agreement with Triako Mines NL and Boka Minerals NL.

Discussions have been taking place with the Government of Papua New Guinea concerning the Company's possible involvement in the further exploration and evaluation of the Ok Tedi copper deposits in the western district of PNG. These discussions are continuing.

Since the end of the period, BHP has taken a 30% interest with Newmont Proprietary Limited in the Telfer gold mining project in Western Australia. The project overall is expected to involve a joint investment of about \$27 000 000 and production of gold is expected to start early in 1977.

In August 1975, North Broken Hill Ltd announced

that exploratory drilling at Broken Hill had intersected high grade silver lead zinc ore at a depth of about 1500 metres. The intersection occurred within a lease purchased by North Broken Hill from BHP in 1938. The terms of this purchase provide for equal division between the two companies of any profit accruing from the working of the lease, after charges arising from exploration, development, mining and treating of the ore have been met. It will be some considerable time before the significance of this encouraging discovery will be known.

BHP

BHP/171

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offering is made only by the Prospectus.

\$100,000,000

International Minerals & Chemical Corporation

9.35% Sinking Fund Debentures due November 1, 2000

Price 100%
(plus accrued interest)White, Weld & Co.
IncorporatedLehman Brothers
Incorporated

Warburg Paribas Becker Inc.

Blyth Eastman Dillon & Co.
Incorporated

The First Boston Corporation

Dillon, Read & Co. Inc.

Drexel Burnham & Co.
Incorporated

Goldman, Sachs & Co.

Halsey, Stuart & Co. Inc.
Affiliate of Sachs & Co. IncorporatedHornblower & Weeks-Hemphill, Noyes
Incorporated

E. F. Hutton & Company Inc.

Kidder, Peabody & Co.
Incorporated

Kuhn, Loeb & Co.

Lazard Frères & Co.

Merrill Lynch, Pierce, Fenner & Smith
IncorporatedPaine, Webber, Jackson & Curtis
Incorporated

Reynolds Securities Inc.

Smith, Barney & Co.
Incorporated

Wertheim & Co., Inc.

Dean Witter & Co.
Incorporated

ABD Securities Corporation

Basle Securities Corporation

Daiwa Securities America Inc.

EuroPartners Securities Corporation

Robert Fleming
IncorporatedKleinwort, Benson
IncorporatedThe Nikko Securities Co.
International, Inc.

Nomura Securities International, Inc.

SoGen-Swiss International Corporation

UBS-DB Corporation

Yamaichi International (America), Inc.

October 31, 1975

HOME NEWS

Probe starts into sales boost deals

BY ELINOR GOODMAN

THE OFFICE of Fair Trading is to look at the whole question of manufacturers' sales incentives to shop employees. The inquiry, which is still in its early stage, will examine practices like "spinning" and "dealer loaders" whereby store employees are offered incentives in either cash or goods to boost sales of a specific product. Although frowned upon by most of the big multiple supermarket top management, a clampdown on these practices could have a major effect on the sales incentive industry which operates some of these schemes. Used mainly by smaller manufacturers in the food trade, the incentives are frequently offered to store employees in sectors like electrical-durable shops and other household appliances. The Office of Fair Trading is worried that such deals persuade shop assistants to push the sales of a particular product more on the basis of the rewards involved than on the basis of its merits. This is against the OFT policy of trying to provide consumers with accurate information on which to make a balanced judgement. At their most basic these "dealer loaders" involve a sales representative offering sales assistants or managers a cash incentive either to encourage them to sell more of their product or to display it more prominently. Alternatively, a sales representative may offer an assistant an expensive gift such as a camera if he sells a certain number of products on offer. Another variation is for manu-

Fresh attempt is likely soon to gain oil platform orders

BY RAY DAFTER

A MEETING with the oil companies is likely to be called by Mr. Anthony Wedgwood Benn, the Energy Secretary, within the next few weeks in a fresh attempt to speed the flow of orders for North Sea platforms. The Government is also thought to be considering ways in which it might initiate work on its own account to maintain employment in some of the worst hit yards. There is growing concern in Whitehall that the present fall in orders could put much of Britain's longestablished platform-building capability in jeopardy. Recent inquiries into oil com-

Technological, economic and political uncertainties were forcing them to take a more cautious approach to development. Some new platforms are likely to be ordered next summer, but the orders may come too late to save off large-scale redundancies in what is a new industry for Britain. None of the four yards producing steel platforms and the two producing concrete platforms, have followed on orders from platforms already under construction. At least three Scottish yards at Ardrine and Portavadie, Argyllshire, and Methil, Fifeshire, are technically capable of starting work on new platforms now. Laid Offshore on Teesside, has made it clear that—unless it receives a new order in the next few weeks to follow-on from a 220m. Thistle field platform—the entire workforce at Graythorpe yard will have to be laid off next summer. The problems are compounded by two new Government-backed yards which are also seeking work. The Government has spent more than £12m. on creating a concrete platform construction yard at Portavadie. Leased to a British-Dutch consortium, Sea Platform Constructors, the site is now complete and unless it receives an order soon the company will have to begin paying off its 40 workers. The Government has also

underwritten the funding of of companies will go ahead with new platform orders by next summer, including Total at Alveyn, Continental Oil in the Stirling area, Shell/Esso with a second platform on Cormorant and possibly a programme for the new Tern field; the Amoco group at Hutton; BP with a sub-sea system for Magnus; and BP and Phillips together with possible plans for the development of Maureen and Andrew. There are signs that a number

Foot defends voluntary Press freedom principle

BY MICHAEL THOMPSON-NOEL

LEGAL backing for the Government's proposed charter on Press freedom could greatly frustrate the purposes of the charter itself, Mr. Michael Foot, Employment Secretary, told 180 magazine editors in London last night. He was defending the Government's stand on the Trade Union and Labour Relations (Amendment) Bill, and commenting on Monday's developments in the freedom of the Press controversy when the Lords passed amendments to the Bill aimed at providing statutory backing for certain aspects of the charter. Mr. Foot told the editors that there were two types of freedom at stake: freedom of the Press and freedom of trade unions. It

New double taxation pact with U.S. soon

FINANCIAL TIMES REPORTER

A NEW double taxation convention between the U.K. and the U.S. is expected to be signed before the end of this year. It is expected to take effect for 1975 and subsequent years. According to a special memorandum published by the Inland Revenue, it should mean among other points a reduction in withholding tax on dividends paid by U.S. companies to U.K. companies holding more than 10 per cent of the voting stock. The Revenue statement says that agreement was reached at the last round of talks—held in Washington in the week beginning October 27—on the text of a new convention. This would replace the present convention, concluded in 1945 and amended by a number of protocols since. The agreement follows a series of discussions, and the text is now to be submitted to the two governments for approval. It is expected that the convention will be signed before the end of the year and published shortly afterwards.

In view of the interest shown in the proposed treatment of dividends, interest and royalties, the Inland Revenue has provided the following information: (a) Dividends paid by a corporation resident in the U.S. to a company resident in the U.K. which controls 10 per cent, or more of the voting stock of the U.S. corporation will continue to be subjected to a withholding tax but at the rate of 5 per cent, maximum instead of the present 15 per cent. (b) The U.K. will pay a tax credit in respect of dividends paid by a company resident in the U.K. to a corporation resident in the U.S. which controls 10 per cent, or more of the voting power of the U.K. company. The tax credit will be equal in amount to one-half of that amount of tax credit which would be payable to an individual resident in the U.K. less than 5 per cent of the aggregate amount of the dividend and the tax credit. (c) Reciprocal exemption of interest and royalties will continue to apply.

£6,600 fines for haulage offences

By A. H. Hermann

TWO MEN were fined a total of £6,600 at the Norwich Crown Court yesterday for having used foreign registered lorries for domestic haulage work in Britain. Mr. Arne Kristiansen, of Denmark, and Mr. Raymond John Clayton, his British associate, operated on British roads without licence and without paying taxes between October 1971 and October 1974 and were only found out as a result of an accident in which one of the lorries was involved. This is believed to be the first case of conviction for this offence in Britain although it is not uncommon in the EEC countries where lorries need not board a ship to cross frontiers.

Ladbroke ventures into house building

BY MICHAEL CASSELL

THE LADBROKE leisure group is to go into the private house-building market at a time when activity is at one of its lowest points for 20 years. Mr. Cyril Stein, chairman of Ladbroke, said he believed it was now economically viable to build houses and make profits. The directors believed that a policy of acquiring carefully selected, quality sites for medium-priced housing was opportune. A new division, Ladbroke Homes, has been established and is expected to make its first contribution to group profits in 1976. For its first step into the private sector, Ladbroke—which already operates a commercial property division—has bought 84 acres of parkland at Lechlade on Thames, near Swindon, where outline planning consent has already been obtained. Plans envisage 85 houses, at prices from £14,000 up to £21,000. The first of these are due for completion next Spring. The group says that the cost of the first project will be about £900,000, which it is anticipated will be partially financed from sales made during the construction period. Additional sites of similar size to Lechlade are now in the process of being purchased. London and Leeds Development, which is part of the group's property division, will control and manage the construction operations. Mr. Stein said: "There is always a basic demand for medium cost housing and good land can be purchased at reasonable prices. Building societies have ample funds and building prices, because of the state of the industry, are highly competitive. We intend to develop sites capable of taking up to one hundred houses and within the first two years of operation we hope to build about 500 units."

Interpol asked to seek Southern Organs men

WARRANTS have been issued for the arrest of the two missing directors of the music company Southern Organs. Interpol has been asked to search for the two men who disappeared nearly two months ago after leaving their Hove home for a Continental holiday. The warrant, issued at Hove, Sussex, alleges conspiracy by Sidney Miller and John Beilford to cheat and defraud Bank Investments and other finance houses, and obtaining money by deception. Mr. Miller, aged 54, and Mr. Beilford, aged 43, directors of Southern Organs International disappeared on September 10. They flew to Calais, France, by helicopter from Honeywood House, a nursing home they founded and ran at Rowbrook, Hove. Both bachelors, they have not been seen since. Their company has appointed an official receiver and debts have been put at a minimum of between £2m. and £3m. Southern Organs ran 20 shops in Sussex and Kent and also put up £75,000 this year to back motor and air racing events, some at Brands Hatch.

IN BRIEF

'Dumping' inquiry
The Department of Trade is to extend its dumping inquiry on woodfibre insulating board to allegations regarding Czechoslovakia, Finland and Sweden. Representations, other than from foreign suppliers, should be made not later than November 14.

NUT denial
The National Union of Teachers last night denied it had advised staff at the William Tyndale Junior School, London, to refuse the school managers entry to the premises.

TSB deposits
The Central Trustee Savings Bank, set up in 1973 to provide services for the TSBs now they are being reorganised to compete for general banking business with the big clearing banks, has over £300m. of deposits from the TSBs.

Grimond's call
A call for abolition of one tier of local government in Scotland on the setting-up of a Scottish Assembly has been made by Mr. J. Grimond, former Liberal leader, in a letter to Mr. Harold Wilson.

Stall charges
The Price Control Commission has given notice to Edinburgh Council that charges made for occupation of stalls in Edinburgh Green Shopping Centre should be restricted to the level in force on September 30 this year.

ECGD loans
The Export Credits Guarantee Department has guaranteed loans totalling £18.6m. for six ships.

Car credit sales
Hire purchase and credit sales of

new cars during October, at 20,722, were 3,645 fewer than in September but only marginally higher than in October last year, Hire Purchase Information statistics, published yesterday, show.

Hotels plea
A call to the Government to free the hotel industry from the "crippling" cost of meeting the requirements of the Fire Precautions Act came yesterday from Mr. John Aust, managing director of Selwyn Park Hotel, South Croydon, Surrey.

Investors' duty
Institutional investors' paramount duty is towards policyholders or members who have entrusted their savings with them, Mr. Harold Lever, Chancellor of the Duchy of Lancaster, told the National Association of Pension Funds conference in London.

Boxing Day trains
Dr. John Gilbert, Transport Minister, was urged by more than 20 Conservative MPs to stop on Boxing Day the plan to cut all Boxing Day train services.

Europe machine tool president
Mr. G. W. J. Trowbridge, president of the Machine Tool Trade Association and deputy managing director at Wickman, Coventry, has been elected president of the European Committee for Co-operation of Machine Tool Industries. The Committee's members include Austria, Belgium, Denmark, France, Great Britain, West Germany, Italy, Norway, Sweden and Switzerland.



Isn't it time you saw the wood for the trees?

Wherever you look at the moment, everything seems to be costing your company more than it has ever done. So, very obviously you look for ways to make economies.

But will they always be the right economies? For instance, cut back too severely on training schemes and you could be cutting your own throat. Because carefully thought out training programmes can get workers to do a job in the best possible way.

Ways that cut down on material waste. Or assembly time. Or speed up export procedures. And you keep your company healthy during the recession. And strong enough to cope when we pull out into a better economic climate.

The Industrial Training Board for your industry can help you organise your own systematic training tailored to your needs. Either for full-scale training schemes or specific training programmes.

Make use of the bank of experience and understanding which Boards have built up working with their industries.

Each Board consists of key employer, trade union and education members of their industry.

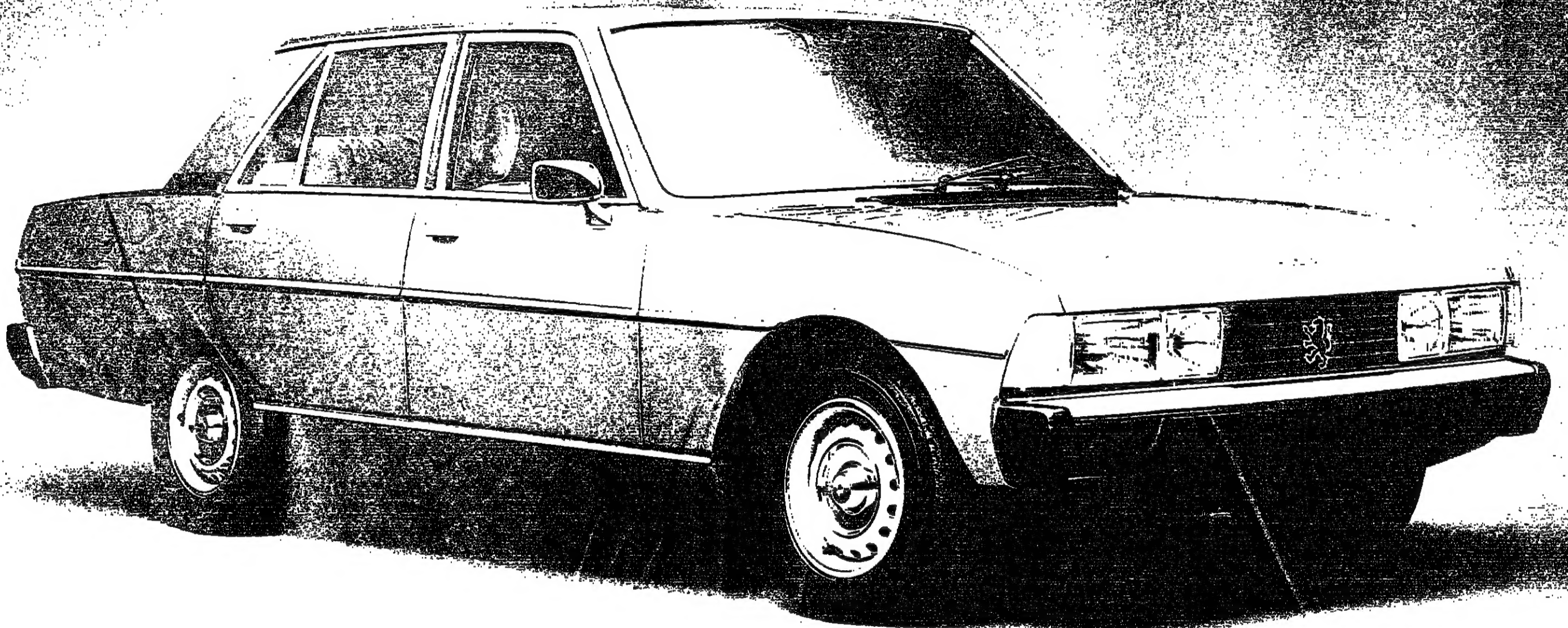
Seek the Board's expert advice. They can help you with your problems. Sometimes they can help with grants too.

For your company's sake—think about training.

TRAINING SERVICES AGENCY*

*An executive arm of the Manpower Services Commission.

Mercedes? BMW? Jaguar?



In the world of executive motor cars, certain names are synonymous with power and luxury.

Mercedes, BMW, and Jaguar are among them.

Now, they're joined by another.

It's not a new name, since it has been in existence longer than any other in the industry.

But it's one which has built a supreme reputation for quality and durability.

The name is Peugeot. The car is our brand new 604. And the result is a European executive saloon which sets new standards of comfort, silence and luxury.

Our three criteria

When we sat down to design our new 604, three criteria were uppermost in our minds.

We wanted technical sophistication. We wanted silence. We wanted luxury.

Look over the car with us and we'll show you how well we succeeded.

Let's start with our *gamme riche* paintwork. It's smoother and glossier than an ordinary car because it's built up from 6 hand sprayed coats of rich metallic paint.

When these are finished to our satisfaction we coat the car with an incredibly tough transparent 'varnish'.

The effect is to deepen the colour, and protect it against grime and grit.

Further down, behind the ventilated wheels, are four power assisted dual circuit disc brakes.

Behind them is the kind of co-ordinated all independent suspension system which makes this Peugeot one of the most comfortable high performance saloons in the world.

And mounted flush with the slim, black grille are four brilliant halogen headlamps, each with a separate independent function.

A feeling of space

Inside, the mood is pure luxury. Luxury, combined with an almost uncanny feeling of space.

You'll find the kind of leg and shoulder room, for example, that you'd normally associate with a limousine.

And on top of this spaciousness, careful ergonomic design and top quality materials combine to cut interior noise and driver stress to a minimum.

Steering is via a power assisted rack and pinion system. Light, but with plenty of feel.

Speedometer, tachometer and matching quartz clock are housed behind a non-reflective glass screen.

Each window is discreetly tinted to reduce glare, and all four side windows are electrically operated.

Sumptuous, orthopaedically correct reclining seats have built-in head restraints and are covered with choice hide or rich velours.

When hide upholstery is selected, a push-button electric sunroof is also fitted.

Individual interior lamps allow rear seat passengers to read in comfort.

And inertia reel seat belts, standard fitting for the front seats of the 604, retract neatly into the door pillars.

Smooth, silent, tireless

Under the bonnet, there's a whole new story.

We developed the 2.7 litre V6 engine especially for our 604: in consequence it is powerful, tireless and smooth as a turbine.

To balance the car properly—and thus allow it to handle like a sports saloon—we built this engine of pressure cast aluminium.

Its two overhead camshafts and compound carburettors allow it to deliver 136 bhp with a minimum of fuss and a maximum of fuel economy (between 21 and 23 mpg overall, depending whether automatic or manual transmission is chosen).

And the two alternative transmission systems developed by our engineers exclusively for the car, allow Peugeot drivers to enjoy the kind of smooth, quiet progress which has made our name synonymous with silence for eighty-five years.

A symbol of success

You'd expect a 114 mph European express like the 604 to be a safe car.

It is.

It incorporates safety features found on our experimental safety vehicle, first shown at the 1975 Geneva Motor Show.

Together with the kind of legendary reliability born of our innumerable rally wins, the 604 combines the virtues of a *grand bolide* with those of a hand built limousine.

For us, it's a symbol of success.

For the relatively few people lucky enough to own one, we believe it will provide tangible evidence that success breeds success.

PEUGEOT

The better built, more reliable car

The 604 range starts at a modest £4,600 for the manual gearbox version with velours upholstery and extends to £5,242 for the SL model with automatic gearbox, electric sunroof and hide interior. For the full story on the 604 V6 SL, send this coupon to The Marketing Services Director, Peugeot Automobiles (UK) Limited, Peugeot House, Western Avenue, London W3 0RS. Telephone 01-993 2331.

Name _____

Address _____

FT11/6

PEUGEOT

SALES & SERVICE NETWORK.
List below is not comprehensive.

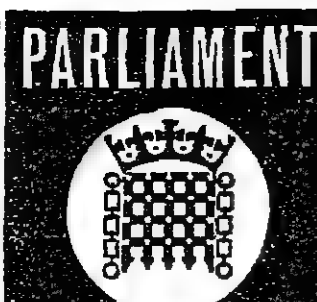
AVON
C. H. Cowie & Son Ltd., Oldbury Service Station, Broadway, Weston-super-Mare.
Tel: Weston-super-Mare 01474 79
Western Counties Automobiles Co. Ltd., 23 Zetland Road, Bristol, Tel: Bristol 4767 or 45561

BEDFORDSHIRE
Newbury Garage Ltd., Common Road, Newbury, Tel: Newbury 8721, 8722, 8723, 8724
M. Kitchener Ltd., 180 Gillingham Road, Kettering, Tel: Kettering 6011

BERKSHIRE
A. S. Motors (Reading) Ltd., Hemmings, Newbury, Tel: Newbury 237 or 818
Linden Garage Ltd., Park Road, Maidenhead, Tel: Maidenhead 2754
Royal Asset Garage, Royal House, 71-75 High Street, Ascot, Tel: Ascot 21481 (store 21482)

BIRMINGHAM
W. J. Cooper & Sons (Phonix Works) Ltd., Car Division, High Street, Nappier, Pagnall, Tel: Nappier 811715
County Motor Imports (Aylesbury) Ltd., 183 Tug Road, Aylesbury, Tel: Aylesbury 84030

CAMBRIDGESHIRE
Market Road, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000



Research helps for MPs proposed

By Richard Evans, Lobby Correspondent

A PROPOSAL that MPs should have a personal research assistant in addition to a secretary is made by Commons Select Committee in a report published yesterday.

The all-party committee states that the total cost could be as much as £2m. If all 635 MPs engaged an assistant at £3,000 a year, but the report adds: "We do not believe that such additional sums should be spent without full accountability for their use."

They therefore propose that if the Commons accepts the idea, MPs should not pay such assistants personally, but that they should receive their pay centrally from parliamentary authorities. MPs would still continue to be able to claim up to £3,000 for a secretary's pay.

The report says there has been a sharp increase in the number of MPs using the services of a personal research assistant. In January, this year, 128 MPs had claimed expenses incurred on research assistants during the current session.

Although many MPs are in favour of the proposal in principle, there is widespread acceptance that it is unlikely to be agreed by the Commons in the present economic climate.

Second report from the Select Committee on Assistance to Private Members, Session 1974-75; Research Assistance; SO, 22p.

Bid for better public transport

MEASURES aimed at providing better public transport, particularly in rural areas, were proposed in a Bill introduced by Mr. David Steel (L., Roxburgh, Selkirk and Peebles) in the Commons yesterday.

The Bill provides that people should be able to drive mini-bus type vehicles carrying up to 16 passengers without the need for a public service vehicle licence and without applying to the Traffic Commissioners.

At present, the law allows the commissioners to waive the need for a PSV licence on vehicles carrying up to 12 people.

Mr. Steel said that the commissioners should allow any operator on a route not already served by public transport. He also called for changes in the present "restrictive and anomalous" law on the operation of buses by local education authorities.

If a local authority owned a vehicle, the driver did not need a PSV licence, whereas a sub-contractor must have a PSV licence.

Tory peers force win on charity land

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

OPPOSITION PEERS last night freed charities and church land from the restrictions of the Community Land Bill with a further defeat of the Government in the Lords.

Ministers were told that the concession to these lands written into the Bill by the Government in the Commons was nowhere near adequate, and Tory peers supported a remedy put forward by Lord Elwyn-Jones, Bishop of London.

His amendment, enabling a charity to enclose land transactions without the provisions of the Bill, was forced through by a majority of 98 (159-55).

Lord Elwyn-Jones, Lord Chancellor, said: "This further concession was unacceptable."

But the Bishop maintained during the committee stage of the Bill that the Government's relaxation on the provisions for churches and charities were "meagre and dry crumbs."

Under his amendment, a charity would always be able to develop its own land without the intervention of a local authority. It would be able to develop it or sell it irrespective of when the land was acquired before or after White Paper day and irrespective of whether the land was functional or investment land.

This would ensure that charities would remain free—even after the lapse of a 10-year period—to continue their operations unimpeded and to realise their assets in the form of land in the same way as private and shares to meet the needs of the times and sustain the capital for the work they did in the community.

The Bishop rejected the Government's contention at an earlier stage of the Bill that this amendment would lead to the establishment of a particularly privileged class of land owners.

Rees plans Ulster prison changes

BY JOHN HUNT

THE SYSTEM of special category prisoners which allows convicted terrorists in Ulster to live in compounds and claim special privileges is to be phased out from next March, Mr. Merlyn Rees, Northern Ireland Secretary, announced in the Commons yesterday.

He also announced the introduction of a new system of conditional release which will allow prisoners in Ulster to be discharged when they have served half their sentence.

At the moment, about 90 people a month are being released at the end of their sentences. This number will be doubled initially as a result of the conditional release proposal and then return to its present level.

Mr. Rees also threw out a broad hint that he was thinking of closing down the incident centres which were set up to monitor the ceasefire. "The changed nature of the violence in the past few weeks had brought their usefulness into question," he said.

But he would leave a final decision to be made and seen how the situation developed.

Mr. Rees's decision will not affect those already in special category status. But those sentenced after March 1 next year will no longer be able to claim such status. They will be accommodated in the normal prison system which is now being extended.

The conditional release proposal, Mr. Rees said, that the absence of a parole scheme in Northern Ireland similar to that in the rest of the U.K. had led to an unnecessarily high prison population there. Early in the new session of Parliament, which begins on November 19, he will introduce an order providing for conditional release of all convicted prisoners who have served half their sentence.

This will include those with or without special status so long as they have been of good behaviour.

After release, any who commit further serious offences within the full time of the original sentence has expired will be liable to serve the balance of the sentence in addition to any new penalty.

THE main reason Mr. Rees is abolishing the special status for prisoners of the convicted Protestant and Catholic extremists who come into this category is that they will eventually get an amnesty.

But Mr. Rees emphasised in the Commons that this would not happen.

"I wish now to make it clear beyond peradventure that there will be no amnesty," he declared emphatically. "Those who purport to believe that murder and bombing with a convenient political label means that they will receive an amnesty tragically mislead themselves. Let

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Wilson stresses grave situation for Chrysler

THE PRIME MINISTER, still stressing the gravity of the situation facing Chrysler U.K. yesterday promised MPs a statement from the Industry Secretary (Mr. Varley), as soon as practicable, on talks with heads of the concern at present in Britain.

Mr. Wilson told the Commons that Mr. Varley had also suggested that one of the Chrysler representatives should meet MPs of all parties from constituencies affected by the problem, and also talk to unions.

Mr. Wilson added that nothing he had heard in his talks at Chequers the previous night could lead him to underestimate the gravity of the situation.

The Chrysler executives "had explained the reasons and the implications for their continued operation."

Mr. Leslie Hackfield (Lab., Newcastle) said that counting employees in Chrysler, the component firms and distributors, there were between 60,000 and 70,000 jobs at stake.

He urged Mr. Wilson to ensure that at the meeting to-day between the company and the unions, the unions were given the fullest possible information about the talks.

Mr. Wilson said he had suggested that while these very important representatives of Chrysler Corporation were in this country they should take the opportunity of talking with the unions.

Mr. Varley had suggested it might be useful if one of their representatives were to meet MPs in all parts of the House representing the constituencies affected.

Mr. Wilson added: "This is a very grave situation and I do not want to say anything which might make things more difficult." Referring to sales representatives, he told Mr. Hackfield: "There are a large number of people whose livelihoods depend on the sales of these products."

"I have drawn the attention of the Chrysler Corporation representatives to what has been said publicly by the sales organisation about this and has pointed out the damage which could be done not only to Chrysler U.K. but to the Chrysler Corporation more widely if they were to take action which might make the job of her sales representatives more difficult."

Replying to Mr. Hal Miller (C., Bromsgrove and Redditch), Mr. Wilson said the Central Policy Review Staff's report on the motor industry would not be on the NEDC agenda to-day.

But the Prime Minister promised that he hoped to be able to publish the industrial strategy documentation from the meeting.

The CPSR report would be published as soon as possible, but since a lot of information had been supplied by British car firms in confidence, their agreement was necessary.

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Junior doctors advised to drop industrial action

JUNIOR HOSPITAL doctors should stop their industrial action pending a ballot, Mr. Norman Fowler, "shadow" Social Services Secretary said in the Commons yesterday.

Dr. David Owen, Minister of State for Health, welcomed Mr. Fowler's remark and added that the junior doctors should realise that they could not have any extra money under the terms of the pay policy. They should seriously consider the options discussed between their leaders and Mrs. Castle, Social Services Secretary.

Later, in a written answer, Mrs. Castle said she had had to make it clear to the junior doctors' representatives that the Government's overriding priority must be to its counter-inflation policy "since this is the only way that the difficulties of the NHS as well as of the economy, as a whole, can be overcome."

She understood that distribution of ballot papers had begun that day, but industrial action was still being carried out in some parts of the country. "I hope that in the interests of patients this will be called off without delay."

Oil Bill challenge ruled out

THE GOVERNMENT is to reject virtually all the major amendments made by the Lords to the Petroleum and Submarine Pipelines Bill when it comes before the Commons to-day.

Though the decision brought angry protests from the Conservatives yesterday, party managers confirmed that their majority in the Lords would not be used to thwart it.

Mr. Patrick Jenkin, the Conservative energy spokesman, said that it was "particularly shocking" that the Government was refusing to accept an amendment designed to ensure that its negotiations with oil companies for 51 per cent. participation agreements were conducted on a voluntary basis.

"It has, over recent months, become clear that the Government is determined to use whatever dures it can to force firms to sign participation agreements," he said. "After its promise that participation was to be voluntary, such dures is, quite frankly, immoral."

Mr. Jenkin claimed that the Government's moves had left many companies "wondering whether Britain is a country in which they still want to do business."

Though he welcomed the Government's acceptance of some points of detail, such as limitations on the power to revoke licences, Mr. Jenkin said that none of the Opposition's points of substance were to be met.

"There will still be no entitlement to compensation to firms who and their licence rights abrogated under new powers," he said.

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Algemeene Bank Nederland N.V.
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Pierson, Hekking & Pierson N.V.
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Bank Mees & Hope NV
in Amsterdam;
Algemeene Bank Nederland (Genève) S.A.
in Geneva;
Algemeene Bank Nederland in der Schweiz AG
in Zurich;
Kreditbank S.A. Luxembourggoise
in Luxembourg.
October 27, 1975.

electrocomponents limited

INTERIM STATEMENT

The results for the half year to 30th September 1975 are—

	Half year to 30th Sept. 75 (unaudited) £000's	Half year to 30th Sept. 74 (unaudited) £000's	Full year to 31st March 75 (audited) £000's
External Sales (after Customers' bonus)	7,193	5,847	12,772
Profit before Taxation	1,353	1,218	2,503
Corporation Tax (52%)	703	633	1,292
Profit after Taxation	650	585	1,211

TRADING RESULTS AND PROSPECTS

Despite steps taken to contain the gross profit margin within the Price Code limit as it applies to Distributors, the gross profit percentage for the six months ended September 1975 is slightly above that permitted. Net profit expressed as a percentage of sales is, however, well within the permitted level. The effect of the Price Code is therefore reflected in the above figures which, compared with the corresponding period last year, show sales up by 23% and net profit by only 11%. Some further reduction of gross margin will be effected in the second half of the financial year in order to eliminate the excess in the first half.

In pursuit of the Board's objective of increasing net profit, all distribution companies within the Group have substantially increased their product range. The Board is sure that this, coupled with increasingly competitive prices, will generate even more business, despite the difficult trading conditions immediately ahead.

The Board is confident that the full year's profits will reflect further progress in absolute if not percentage increase terms.

DIVIDEND

At a Board Meeting held on Tuesday, 4th November 1975, the Directors declared an interim dividend of 1.82p per Ordinary Share, absorbing £182,000. This compares with an interim dividend last year of 1.65p per share. Dividend warrants will be posted on 9th January, 1976 to members on the Register at 12th December, 1975.

Britain's biggest electronic components distributor

LABOUR NEWS

Battle looms among mine leaders over next claim

BY JOHN WYLES, LABOUR REPORTER

THE POLITICAL battle among miners' leaders over whether they should accept the Government's £6 pay limit will reopen next week when some Left-wingers will press for a pay claim demanding rises of up to £39 a week.

The claim will be the first shot in a left-wing campaign to repudiate the two main committees registered in August's pithead ballot in favour of the Government policy. But the National Union of Mineworkers' negotiating committee is very unlikely to back the militant line next Tuesday, partly because of a split between Mr Arthur Scargill, the Marxist president of Yorkshire miners, and the Communist on the union's national executive.

Nevertheless, NUM militants will not accept their defeat as permanent and will maintain pressure against the £6 policy right up until the start of a new miners' deal next March. They are counting on unemployment and rising inflation starting a general revolt against the Gov-

ernment policy in the coal and other industries.

The Left will try to capitalise on any anti-Government feeling by pressing for another pithead ballot on whether the £6 which the National Coal Board is expected to offer should be accepted.

In the meantime, their argument next week against accepting the August ballot decision will be that it should not supersede the claim adopted by the NUM's policy-making conference in July which set £100 a week as the target for miners—£39 above their present rate.

Nevertheless, the strength of moderate votes on the negotiating committee and the national executive is likely to mean that the NUM will lodge a straight-forward claim for £6 rises together with a demand for forward commitments on a number of fringe issues, including concessionary coal, service payments and a revision of the grading structure.

At next week's committee meeting, there may be a rare

split among the Left, with Mr Arthur Scargill, president of the Yorkshire miners, refusing to support the militant line.

Mr Scargill is expected to argue that because a majority of miners have cast their votes for the Government's policy, then the NUM should settle for £6 rises when the present pit pay deal expires at the end of February.

This would do little to help repair the rift between Mr Scargill and the NUM's Communist left which was opened up at the union's annual conference. Mr Scargill felt that his bid to carry a hard-line conference resolution incorporating the £100 figure as a firm demand failed partly because of lack of support from the extreme Left and in particular from the NUM's Communist vice-president, Mr Mick McGahey.

Shortly afterwards, Mr Scargill failed to make an expected appearance at a strategy meeting of NUM Left-wingers and has since done nothing to dispel the impression of a major breach.

BA 'double standards' charge by APEX

By Our Labour Staff

BRITISH AIRWAYS was accused yesterday of a "deliberate policy of confrontation" with the clerical workers whose dispute halted imported goods at the airline's Heathrow airport cargo centre.

Mr Thomas, deputy general secretary of the Association of Professional, Executive, Clerical and Computer Staffs (APEX), which represents the 150 clerks in dispute, said the airline was adopting "double standards".

A total of 41 clerks had been dismissed yesterday evening and 44 suspended for refusing to adopt new working rotas.

APEX said other groups at the airport had not been required to take on the same duty shifts as its members, and the dismissals were in breach of an agreement with the company. Exports are still being moved out of the cargo centre on BA and other flights, and the dispute is costing BA revenue at the rate of £100,000 a day as foreign shippers switch to other airlines.

APEX and British Airways only recently resolved a head-on collision over staffing arrangements for the experimental London-Glasgow "shuttle" service.

New gain in ICI bargaining rights race

By Our Labour Staff

THE ASSOCIATION of Professional Scientific and Technical Staffs (APST) has won an important advantage in the race to win bargaining rights for 9,000 ICI professional and managerial staffs.

This is the last major group of ICI staff whose union representation has yet to be settled and the APST, a small organisation based on chemical industry members, is engaged in a keen struggle for their membership with the larger Association of Scientific Technical and Managerial Staffs.

The APST campaign has now been given a boost by the ICI Management Association's decision to recommend its 900 members to join the APST. This came after a ballot in which 93.4 per cent supported APST out of the 81 per cent of the association's members who voted.

If successful, numbers now follow this line, APST will set up a new ICI management association branch. It will also be well on the road to achieving the 20 per cent membership among professional and managerial staff which entitles it to a ballot with the whole group on the question of union representation.

C. G. SMITH AND COMPANY LIMITED ("CGS")
C. G. SMITH INVESTMENTS LIMITED ("CGSI")
GLEDHLOW SUGAR COMPANY LIMITED ("GLEDHLOW")
REYNOLDS BROTHERS LIMITED ("RBL")

(all companies incorporated in the Republic of South Africa)

Standard Merchant Bank Limited ("SMB") and Union Acceptances Limited ("UAL") announced on 15th October, 1975 that a merger had been proposed between RBL, Gledhlow and the sugar interests owned directly by CGS, i.e. the entire issued share capital of Umzimkulu Sugar Company Limited, 44.2 per cent of the issued capital of S.A. Sugar Distributors (Proprietary) Limited, and certain warehouses on leasehold property in Durban together with their related activities.

The proposed merger will take the form of an offer by RBL to acquire the entire issued share capital of Gledhlow on the basis and in the proportion of 85 new RBL shares for every 100 Gledhlow shares held. In addition RBL will issue 2 416 464 new shares to CGS in consideration for the assets acquired from CGS.

The issued share capital of RBL after the above transactions will be 13 604 464 shares of which CGSI will hold 4 556 495 shares (33.5 per cent) and CGS will hold 2 523 987 shares (18.6 per cent). As CGS is the holding company of CGSI, it will become, in addition, the holding company of the enlarged RBL.

It was further announced that the basis of share exchange between RBL and Gledhlow, and between RBL and CGS, was subject to verification by SMB, UAL and the auditors of RBL and Gledhlow. This verification has now been completed and the merger will accordingly proceed on the basis announced on 15th October, 1975 and repeated above.

The auditors of RBL have prepared a pro-forma balance sheet of RBL as at 31st March, 1975 on the assumption that the proposed merger had been fully achieved on that date, and adjusted for such matters as they have considered appropriate. This pro-forma balance sheet shows a net tangible asset value per RBL share of 632 cents as compared with a figure of 674 cents based on the financial statements of RBL at 31st March, 1975. Account has been taken in both figures of the excess over book value of the directors' valuations of share investments as at 31st March, 1975 and of the purchase by RBL on 1st April, 1975 of the Renishaw milling rights from Crookes Brothers Limited.

Preparation of the appropriate documentation to give effect to the proposed merger is proceeding and the relevant documents will be posted as soon as possible.

STANDARD MERCHANT BANK LIMITED
(Registered Merchant Bank)UNION ACCEPTANCES LIMITED
(Registered Merchant Bank)
A member of the Nedcor GroupJohannesburg,
31st October, 1975.

Unions unite over railway future

BY OUR LABOUR REPORTER

A CAMPAIGN to defend the present railway system was drawn up yesterday by rail union leaders who want a meeting with the Prime Minister. They hope to organise a lobby of Parliament in support of their demands for an integrated public transport system.

The joint effort agreed yesterday involves an unprecedented degree of co-operation among the three unions aimed at countering the threat to British Rail's future posed by the Government's clampdown on railway aid and investment.

A priority for the unions is to ensure that the Government's forthcoming White Paper on transport policy guarantees at

least the maintenance of the railway network. They agreed yesterday to frame a detailed submission to the Government which will be drawn up with the combined resources of the unions' research departments.

Overall conduct of the campaign will be supervised by a special joint working party comprising the general secretaries of the three unions, Mr Sidney Weighell of the National Union of Railwaymen, Mr David Mackenzie of the Transport Salaried Staffs Association and Mr Ray Buckton of the Associated Society of Locomotive Engineers and Firemen.

Early decisions to be made by the general secretaries will be the dates of a national railway

men's lobby of Parliament and meeting with the Prime Minister as well as a possible meeting with Mr Ron Hayward, the Labour Party's general secretary, to stress the major role allotted to railways in Labour's election manifesto.

Increasing fears that the Government's policies will lead to a major cut in the railway system lie behind the urgent moves now being mounted by the unions. They are due to meet British Railways next week to discuss the short-term problems but they are unlikely to soften their demand for a guarantee of no compulsory redundancies as a condition for union agreement to proposed guidelines on economies.

Murray backs pledge on union women

By Our Labour Staff

THE TRANSPORT and General Workers Union was pledged yesterday to give women greater participation in the trade union movement. Mr Jack Jones, general secretary, said yesterday: "Now we have fought for and got legislation on equal pay and sex discrimination, it must be made to work."

Len Murray, TUC general secretary, speaking at a TUC conference, called on the Government to set up a national training agency for the 300,000 young workers who presently stood little chance of escaping dead-end jobs.

NUBE concerned over foreign banks staffing

BY OUR LABOUR STAFF

OVERSEAS BANKS, particularly Asian and Indian banks, may be importing more staff than is justified and denying jobs to British personnel, the National Union of Bank Employees claimed yesterday.

NUBE has asked the Department of Employment to check whether foreign banks are observing the immigration law strictly. Informal talks have already been held.

The union said: "It is not clear if the staff drafted from abroad and given managerial posts have as much expertise as some of the U.K. staff under them."

The practice denied promotion and career opportunities to U.K. recruited staff with many years' experience. They were being prevented from obtaining training for managerial jobs.

Overseas employers normally have to satisfy the immigration authorities that posts they wish to fill from abroad cannot be filled by Britons, or that their foreign recruits are here for training.

NUBE says it has built up its membership in overseas banks to 7,000, and is seeking to protect its members' jobs in a period of rising unemployment.

BSC strategy at risk, Llanwern inquiry told

BY LORELIES OLSLAGER, LABOUR STAFF

THE BRITISH Steel Corporation said yesterday that its whole £5,000m. modernisation and development strategy would be in danger if trade unions persisted in putting "might before right" in industrial relations.

Mr Gordon Sambrook, BSC's managing director in charge of personnel and social policy, sounded the warning on the first day of public hearings by a court of inquiry set up to examine the Corporation's dispute with the National Union of Blastfurnacemen over pay for manning a new modern furnace at the Llanwern works in South Wales. The inquiry was set up by the Advisory Conciliation and Arbitration Service after the blastfurnacemen threatened to go on nationwide strike two months ago and stopped work at Llanwern over the issue.

The NUB in its evidence yesterday stressed that it was not opposed to the introduction of new equipment but that it wanted "proper pay" for its members handling it. The union called for a public inquiry into industrial relations in BSC, which were "not in a happy state," to follow the work of the court of inquiry.

Mr Sambrook in his evidence for the BSC said the Llanwern dispute was a "microcosm" of the problems facing Britain today. "We have low productivity, antagonism between employer and employees, we have unremunerative capital and we have a power bargaining situation."

Unless some sort of settlement can be achieved quickly, there is a serious threat to iron and steel production

throughout England and Wales."

In his written evidence, BSC said that because of the union's refusal to operate the new £27.2m. blastfurnace, the Corporation—already losing between £5m. and £6m. a week in the present slump—had lost £2.2m. in interest rates this year. The total value of new equipment not fully utilised as a result of the dispute was £80m., involving annual interest charges of £8m.

At a time of general concern about the lack of investment in British industry, investments had been made in Llanwern but "BSC is prevented from taking a major leap forward by industrial action threatened by a small part of its work force," Mr Sambrook said.

He said that if the Corporation was prepared to "buy peace at any cost" by accepting the

blastfurnacemen's demand for earnings of £118 a week for the top men at the new furnace, other Corporation workers would demand corresponding pay rises. This would affect the price of steel and would not put BSC's business at risk but also affect other industries and their competitiveness.

A dangerous precedent would also be set for the introduction of other modern blast furnaces, in particular a 10,000-ton a day capacity furnace to be installed on Teeside.

Mr Sambrook firmly rejected the blastfurnacemen's claim that their pay demand was justified by increased productivity on the new furnace which has a capacity of 35,000 tons a week compared to a total 32,000 capacity of the two existing furnaces at Llanwern.

APPOINTMENTS

Perkins Engines reorganisation

Changes in organisation and management of PERKINS ENGINES GROUP include the following appointments to four major geographic areas.

Mr C. Joseph Hind has become managing director of Perkins Engines Limited and head of the group's U.K. area operations. He joined Perkins in 1968 and two years later became the group's director of engineering. Since March this year he has assisted Mr P. J. Wright, chairman and managing director of the Perkins Engines Group, on a number of special projects involving development.

The other three area operations under the scheme are each headed by an executive director. They are Mr Roger C. Clarke, Eastern Hemisphere; Mr Kenneth E. Glass, North American; and Mr James M. Felker, Latin American and Caribbean.

In addition there will be two group staffs—product (headed by Mr Roland Bertoldo) and finance and administrative (Mr Adrian J. Parsons).

Mr Martin L. Voss has been appointed financial controller of WESTERN MOTOR HOLDINGS and its subsidiaries.

Mr Edward Pest, Deputy Chief Constable of Sussex Police, has been appointed Chief Constable of the new Port of Liverpool Police Force being set up by the MERSEY DOCKS AND HARBOUR COMPANY.

He succeeds Mr John Harding, who has retired after 29 years with the company. Mr D. S. Hancock has been made sales manager of that division and Mr V. D. Sallows, assistant sales manager.

Mr Peter G. Pelling has joined the Board of SMO MUSICAL INSTRUMENTS and Mr Douglas Ellis has joined the Board of Kentucky Organ. The parent concern is MFL.

Mr Basil W. Boyd, deputy chairman and former managing director of J. SAMUEL WHITE, has retired.

Mr Robert D. Bourland has been appointed vice-president and managing director of TANDY INTERNATIONAL ELECTRONICS in the U.K., the overseas branch of Radio Shack of the U.S.

Mr Michael Burden has been appointed managing director of the business machines division of SINGER (U.K.).

Mr Elliot Lewis has resigned as a director of the Rapfast division of BORDEN (U.K.) to devote his full time to two recently-formed companies, Hillspark and Costech.

Mr John A. R. Jackson has been appointed sales director of MAN CONCESSAIRE G.B. Mr Charles Moss has been made dealer sales manager.

Mr Thomas J. Ryan has been elected president of KELLOGG INTERNATIONAL, London, and

senior vice-president of eastern hemisphere operations of Wm. W. Kellogg, a division of Pullman Incorporated. Both positions had been held by Mr Joseph W. Jewell, Jr., who has transferred to the international headquarters of W. W. Kellogg in Houston, as an executive vice-president.

Mr R. C. Ryan has been appointed a director of GOLD FIELDS OF SOUTH AFRICA following the resignation of Mr M. E. Rich as a director. Mr Ryan, a director of Consolidated Gold Fields, London, was appointed a deputy chairman of that company last month.

HERON MOTOR GROUP has appointed Mr Victor Wilson as managing director of Rossleigh. Mr John Turner, a Heron Motor Group director, has been given group responsibility for service and parts.

Mr J. A. Hopkins, assistant general manager of COMMERICAL UNION ASSURANCE, retires on December 31.

Mr David Protheroe has been appointed to the Board of OP COSCOWATE.

Mr W. H. Ireland has been appointed a director of GRESHAM INVESTMENT TRUST. He has been an executive director of Gresham Trust, the holding company, since 1971.

Mr Anthony J. Fisher will become chairman, as well as managing director of THE PRESS

at Combelands on January 1. Mr Richard Woolley relinquishes the chairmanship on becoming chairman of parent company Bann Brothers, but will remain a director of The Press at Combelands. Mr A. D. Balfour will succeed Mr Fisher as secretary of the company.

Mr A. A. C. Griffith has resigned as a director of VOSPER THORNICROFT because of his increasing commitments as managing director of David Brown-Vosper (Offshore).

Mr D. Reed has become sales director of MARS CONFECTIONERY and has been succeeded as national sales manager of Pedigree Petfoods by Mr M. King. Mr D. Younger has been made director of Woodstock sales.

Mr A. F. Macleod Matthews has been appointed, a part-time member of the BRITISH GAS CORPORATION for three years.

EMI OVERSEAS

Mr H. P. Bengner has been appointed by EMI as regional director, Latin America, covering all group interests in Mexico, Central and South America. December 1, Mr John Forrest will become resident director, Iran. Both have been with EMI for a number of years. Mr Bengner was formerly regional supervisor, Latin America, and before that managing director of EMI's Brazilian subsidiary. Mr Forrest has been managing director of EMI Hong Kong since 1973.

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHUYERS

DATA PROCESSING

Salesmen get better back-up

SALES INFORMATION system which provides management with a complete check on all contacts and the status of each customer or prospective customer, is announced by CMG (City of London).

The computer package, which costs £20 per month to run on the CMG bureau, provides action lists for each salesman, with calls grouped to ensure maximum utilisation of his time.

CHASUP is ideal for all companies using a follow-up system and has been designed to reduce the amount of clerical effort required in the recording of activities and the maintenance of a typical follow-up file.

Normally such a file consists of cards placed in a tray in an appropriate sequence, by names of companies, sales areas etc.

Details of all contacts are recorded on these cards. In most sales offices a second set of cards is also filed in date sequence and requires rigorous maintenance.

The new CMG package does away completely with this duplicate set.

Input is via the normal sales sheet used to monitor the sales effort of both individuals and the company generally, the only additional entries being the number of the master card referring to that customer and the next contact date.

At pre-determined intervals, normally weekly, the relevant details are extracted from the activity sheets and fed to the computer, together with details of all new and amended cards.

The major report is an "action list" for each representative which contains details of all contacts which have to be made by the next computer run. The list is presented with the planned contacts for each day grouped together and if a contact is not made as scheduled, this is reported on the overdue list. The entry also reappears on the next action list.

In addition, a complete list of companies is produced in order to establish whether or not companies are on the follow-up system and to provide rapid access to such information as the telephone number and the type of customer. Additional options include the ability to make the entries on the computer file which are not on the main file

and to group the companies by business, geographical areas, etc. Companies which are constantly contacted can also be indicated. Up-to-date listings of the complete file ensure that duplicate entries in the main file are avoided.

CMG/City of London, Eastern, 53, Lemon Street, London, E1 8EY (01-481 8881).

Printer to run at high speed

HIGH SPEED printer terminal equipment, the Sprint, has been announced by the Dacell Group as an extension to its existing DL180 terminal range.

The characteristics of the model are a print speed of up to 200 cps, a choice of 7 by 7 or 9 by 9 dot matrices, and a choice of line lengths from 132 to 184 characters.

Sprint is able to print in both directions, thus eliminating the time lag on carriage return. This gives a much higher effective print speed than for conventional printers, and allows it to operate close to its theoretical maximum. The effective speed of the Sprint is 188 cps.

Other features include a line feed rate of 40 lines/sec—more than ten times faster than most conventional devices. Head life is 300m characters before refurbish, and ribbon life 4m characters.

A Dacell-designed microprocessor is standard on all models.

Dacell on Bathgate (0806) 85566.

Air freight service

EMERY Air Freight has introduced an "instantaneous" international computerised air freight rate display system by which shippers can obtain immediate air freight quotations on the cost of moving goods.

The rate display covers 120 origin cities in North America and 80 points around the world—all Emery tariff points where traffic is handled on a regular basis. This rating information is available in, from and between any of Emery's 112 offices in the world. All are linked together through a global real-time com-

puter tracking system which not only provides a great variety of pertinent transportation data, such as international rates, but tracks the step-by-step progress of each and every shipment in Emery service.

The new system, two years in development, is the first of its kind in the transportation industry.

It replaces tariff books, hundreds of pages in length and virtually incomprehensible except to international traffic tariff experts. A unique development in the Emery system is that it produces rate quotations in the currencies of the origin and destination countries involved, with the rates based on the current monetary exchange rate.

Univac baby tots up sites

SPERRY UNIVAC U.K. has announced that the company has received orders for 50/30 computer systems, 30 from new customers.

The 50/30 was unveiled just over a year ago and since then orders received in the U.K. alone are valued at over £10m: 72 per cent of these—or 36 individual systems—replace competitors' equipment, including systems from IBM, ICL, Honeywell and NCR.

World-wide sales of the 50/30 have now reached almost 1,000, with a value of over £20m. This small-to-medium scale computer makes the lowest point of entry into the Sperry Univac 90 Series. It has its own range of peripheral which ensure good throughput for batch and communications-oriented applications.

Indeed, Univac is recognised among the peripheral makers as being one of the most communications-oriented companies, if not the most.

U.K. customers for the 50/30 include Ford, Shell and Rolls-Royce as well as Government.

Victor sets up in U.K.

HAVING previously conducted business in the U.K. through an agent, Victor Computer Corporation of Chicago has set up a direct subsidiary, Victor Inter-

continental at 24 Friern Park, North Finchley, London N12 9DA.

The company is to market a product range of some 25 items, from programmable mini-computers to desk top calculators.

Acknowledging that it is entering a crowded market, Victor states that it intends to make a steady but pronounced impression through selected dealer outlets by offering sound, attractive long term business deals, quality products that it makes in its own factories and an image of permanence based "on a track record of 50 years in the business machine industry."

It will not market cheap calculators, which, it claims, have given rise to much bitterness to the retail trade due to accumulations of unsaleable stock.

Victor, which manufactures for example, its own 110 ch/sec matrix printer head and even its own semiconductor chips, is a joint venture with other U.S. companies) had a world turnover of \$278m. in 1974 and operates in 50 countries. More from Mr. N. Curtis on 01-446 8211.

Simple type of digitiser

MOST commercially available graphics input tablets are more expensive than keyboard data-entry machines. This inhibits the use of freehand writing and drawing input techniques for interactive computing and communications.

A fixed-grid electro-magnetic digitiser has been invented which combines precision over almost any desired size, and needs no actual physical contact between stylus and tablet. A sheet of writing paper may be interposed to give a hard-copy record.

The tablet is largely transparent and can alternatively be used to overlay a flat display surface, such as a blackboard, overhead-projector image or cathode-ray-tube screen. This permits direct addressing of the displayed material.

The "writing" stylus consists of a small metal pin wound with about 20 turns of fine wire and embedded in the point of a felt-tip pen. The tablet itself consists of a transparent plastic sheet covered with or containing a small number of fine wire windings.

A 1-microsecond pulse applied to the stylus coil 5,000 times a second induces an EMF of millivolts in each winding. The corresponding absolute x, y co-ordinates of the stylus position in the plane of the tablet may be found from the sense (+ or -) of these EMFs.

The unit can be used as a handwriting input tablet to generate in real time digital data for subsequent transmission or analysis. Text, numbers, signatures or sketches written on the tablet or marked on an overlay can be reduced to digital form. The freehand input facility could also be of great interest in automated cartography and computer-aided design.

It is simple and potentially cheap to manufacture, particularly if the tablet windings are produced by conventional fine-wire winding or multilayer printed-circuit techniques. The reproducible digital location method used is free from drift and calibration problems and offers high precision without excessive cost.

Peter Hawkes, Computer and Automation Group, NRDC, 66-71 Victoria Street, London SW1E 6SL (01-825 3400).



IMPERIAL METAL Industries

has set up IMI Contract Testing Services at its Birmingham headquarters (021 356 4846), making available to industry a range of analytical and testing facilities.

The unit has available the resources of the Research Services Department, which has undertaken work, over many years, for Government agencies, research associations and industrial companies. These activities will now be channelled and expanded through IMI Contract Testing Services.

Traditional mechanical testing, physical testing, chemical analysis and metallurgical laboratories are available, together with special facilities including testing and monitoring of atmospheric and effluent pollution, application of anti-corrosion techniques, simulated service testing of products, and metrological inspection and examination of tools and components. In this picture the dimensional accuracy of a tool is being checked.

Special purpose test rigs, machines and instrumentation can be designed and constructed as required, and novel components or prototypes, in metals or plastics, can be developed.

PROCESSES

To produce thick film packages

HERMETICALLY sealed thick film circuit packages, claimed to meet military and other high performance specifications, are available from Newmarket Transistors, Exning Road, Newmarket, Suffolk (0838 3381).

Following installation of a projection welding system, a Capacitron projection welder, supplied by South London Electrical Equipment Co. (01-832 4814), is used for the process.

While projection welding is a common technique in the semiconductor industry, it has, until now, only been used for sealing TO8 and TO18 devices. The newly-developed process will permit the company to project weld packages up to 35 x 20 mm, the key features being the capability to weld rectangular

As good as new

TO BE marketed under the name Ward-Premier rebuilds, selected used machine tools will be completely rebuilt to the original manufacturers' tolerances under an agreement between the Machinery Division, Thna, W. Ward, Abdon Works, Sheffield S4 7UL (0742 26311) which will market the machines and Premier Engineering Co. (Wellington), which is doing the rebuilding.

Ward says the machines will carry a 12 month guarantee. All electrical equipment will be re-conditioned, and tested, and manufacturers' spares used wherever possible.

The initial rebuilding batch comprises mainly Cincinnati milling machines, but other makes and types including lathes, boring mills, etc., will be included to give the programme wider scope.

The equipment can be upgraded at any time by adding further capacitor banks, providing the company with the facility to accommodate larger hermetic sealed packages up to 55 mm x 30 mm, as a future extension to its range.

SAFETY

Monitors brakes on power press

A BRAKE monitor stop timer has been introduced which is intended to meet the weekly inspection requirements of the clutch/brake system on mechanical power presses.

Measurements can be made at any point in the press cycle, and an unskilled operator can take the readings in a few minutes. The monitor has three safety/maintenance functions. The solid state electronic unit has a digital read-out of stopping time in milliseconds for each stroke during normal operation.

A second feature provides a warning alarm if brake deterioration has reached the point where preventive maintenance is required.

A third alarm circuit indicates a dangerous condition and automatically stops the press, which can only recommence operation after resetting by authorised personnel. A feature is that the emergency stopping time of the press on the down-stroke may be read and the digital alarm switches pre-set at the time of installation since the stopping time on the down-stroke may differ considerably from that on the upstroke.

The unit is made by the Gordon Manufacturing Corporation, Connecticut, U.S., and marketed in the U.K. by Agrom Manufacturing Company, Clements House, Sandstead Station Approach, South Croydon CR2 0PL (01-651 0941).

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The Executive's World

EDITED BY JAMES ENSOR

Christopher Lorenz describes British Rail's new way of operating its freight business as

TOPS takes over in the marshalling yard

RAIL TRAVELLERS are used to seeing siding after siding full of empty, often rusting, wagons as they journey across the country. Such a waste of assets to have come to seem an inevitable part of operating a railway in Britain at least. But the wind of technological change is now blowing through British Rail's marshalling yards, and the observant traveller will soon notice a dwindling in the queues of unused wagons.

By the end of next year BR will have scrapped about 40,000, or 17 per cent, of the wagon fleet it possessed at the start of 1975. Only half will go because of the current decline in freight traffic; the other 20,000 (of which over half have already gone) owe their demise to the introduction of a new computerised information system with the glamorous name of "TOPS".

Ebullient

Mr. Richard Marsh, the BR Chairman, was unusually ebullient at last week's TOPS inauguration ceremony. Outlining the virtually instantaneous way TOPS can give information on the whereabouts of any of the 300,000 wagons on BR's system, he claimed it was "the most important single development for improving freight efficiency in the history of our railways". He thanked the British taxpayer "without whom this would not have been possible" and declared it "one of the rare

occasions where he will get his money back very quickly". The system, has cost £18.6m. so far, and is expected to run to £27m. by 1980. Not only has it been installed on-time, but its costs have been held well within budget, which is more than can be said for many other customers' new computer complexes — the Stock Exchange is only the most recent example. In 1971, when inflation was not expected to reach anything like the current rate, a 1980 target of £22m. was set.

Mr. Marsh's welcome news for the taxpayer is that TOPS has already brought significant savings for BR, and has identified more savings. It has only just gone nationwide after a gradual two-year extension throughout the country, but it is already cutting operating and maintenance costs by an annual £3m. Apparently referring to the fact that the 20,000 wagons would cost £50m. to replace, Mr. Marsh claimed the system would pay for itself within a year.

Since the 20,000 wagons were identified well before the system went national, BR expects to be able to make more savings in future through further increases in operating efficiency. "Fundamental changes are taking place in working practices all over the country," says Mr. Ian Campbell, BR's Director of Engineering and Operations, emphasising that "exploitation teams" will continue going around the country

for two or three more years to take even more advantage of the system in an extended audit of the rail freight operation.

At the national inauguration Dr. John Gilbert, the Minister for Transport, pointed to the sort of business where rail's advantage over road was not particularly obvious as the main attraction of TOPS. But BR is emphatic that it will also be of great benefit for the types of business, such as coal and steel trainloads, which are generally accepted to be its forte. "Obviously, it is of greatest help when you want control of individual wagons," says Mr. Campbell. "But it is equally valuable in planning total traffic movement."

Cuts

Mr. Campbell refutes any suggestion that TOPS will prove a wasted investment if the current Government-union talks result in a major cut in the 11,000-plus miles of route, or if BR is told to cut out some of its wagonload business, a major contributor to this year's expected total freight loss of nearly £70m. "TOPS is there to help all whatever route system you have," he insists.

Government decisions of a different sort will be needed if the full potential of TOPS is to be achieved, however, if rail is ever to win back from road some of the business it has lost, it will need to modernise much

of its wagon and locomotive fleets, and have access to far more private sidings (there are only 2,200 at present). For these it will need greater investment resources, whereas the Government has just cut its investment programme in a frantic attempt to limit rail's drain on the national Exchequer.

Ardent optimists within British Rail hope the forthcoming White Paper on national transport policy—now expected around Christmas—will recognise this as part of a need to give the organisation what they call "slightly different investment parameters". More realistic members of the fraternity have their doubts about whether such concessions will ever be forthcoming, but draw solace from the fact that, with TOPS, they are playing a major part in making rail freight more cost-effective, more punctual and therefore more attractive to the customer.

That it has taken until 1975 to computerise rail freight is partly due to the complexity of the programming task, and partly to the fact that BR had the foresight to spend time evaluating other railways' experience before plunging for a particular system. It says it found only one, the U.S. Southern Pacific, which had succeeded with real-time (implying almost instantaneous response) computer application to its entire freight operations.

The railroad took from 1960 to 1968 to get its first phase into operation, whereas BR took only two years for quite a thorough modification programme from October 1971, when authority for the scheme was given, until September 1973, when the west of England became the first area to go onto TOPS.

The plans originally foresaw one large IBM 370/168 computer handling the processing work, with another standing by in case of breakdown (a regular configuration for large computer users). Like many other computer users, BR found a year ago that it would need more capacity in its central processor than it had originally estimated, and so it had to order an only slightly smaller machine (a 370/158) to augment capacity. Purchase of the three computers has cost about £4m.

Centres

The processors are linked to 155 centres, each in the centre of a TOPS Responsibility Area (TRA), and each of which is responsible for reporting the "status" of every wagon—whether loaded or empty, in transit or stationary, or stored—as well as its every movement, including points of origin and destination. This means that BR management has access to up-to-the-minute information on the whereabouts and status of every customer's



The TOPS computer replaces a system which is still largely Victorian in its thinking—as here at Nine Elms in London, where mail vans are shunted across a main road.

goods, as well as the location of empty wagons. It is the dramatic transformation in the pattern of handling empty wagons which best illustrates the TOPS revolution. The traditional method was for each marshalling point or station to send them automatically to the nearest collection

point. Thus all empties in the south-west were sent as far as Avonmouth, for example. There they stood until they were eventually called off—often by points close to where they were originally unloaded. "It was quite possible to get empty wagons passing each other in opposite directions," says Mr. Campbell, who makes no secret about the inefficiency and inaccuracy which resulted.

With TOPS, "the improvement is out of this world," he claims. Empty wagon distribution is now done on the basis of a standard demand programme, with the computer automatically "polling" the nearest TOPS Areas until it has secured the necessary quantity for each point. The Areas continually feed information (requirements as well as "status" reports) through their terminals to the London computer centre, where managers override the basic demand programme to meet the requirements of each particular day. Since empty wagons are immediately reported, they can immediately be assigned a new destination which is then fed back through each Area's terminal. "It is here that much of the saving is being made, in terms of better wagon utilisation and a dramatic cut in wasteful shunting round marshalling yards (itself a traditional cause of many routing errors)."

The empty wagon distribution system is the nearest TOPS comes to computer control, the rest of its applications being the provision of information from which management can take quick decisions. So there seems little immediate reason for the fear of Mr. Ray Buckton, head of the ASLEF trade union, that TOPS heralds an era in which workers will be "given orders" by computers. Mr. Campbell ex-

Problems

A hint of the problems which could arise when TOPS is extended to the locomotive fleet was given at the inauguration when Mr. Buckton forced Mr. Marsh to admit that this would give the management extra information on train crew location. The BR Chairman added with a wry smile, that the issue "would lead to many happy hours of discussion" between them. Mr. Campbell is more cautious, saying only that TOPS "will make more loco time available," especially through more efficient maintenance scheduling. But, as with the wagon fleet, TOPS must surely bring loco savings—unless there is the substantial increase in business which every railwayman would like to see—but which can only be achieved by courtesy of Government policy.

Michael Lafferty reports on the Sandilands proposals

Historic costs are no longer credible

YESTERDAY THE Committee of Accountancy Bodies (CCAB) declared that the current cost accounting in the Sandilands report, having been accepted by the Committee, could prove to be a second best system of accounting for inflation, provided it is supplemented by a statement showing the change in the purchasing power of the capital invested.

Henceforth the discussion can no longer be about the alternative virtues and deficiencies of current purchasing power (CPP) and current cost accounting (CCA). The fact is that the CPP accounting based on the historic cost accounts—the method proposed by the British accountancy profession—is no

longer a credible method of accounting for inflation. There was nothing unexpected in the CCAB document. The system proposed by the Sandilands report, having been accepted by the Committee, could prove to be a second best system of accounting for inflation, provided it is supplemented by a statement showing the change in the purchasing power of the capital invested.

For the most part, therefore, the Sandilands report, which was published on September 4, seems to have met with general approval. On behalf of British industry the GBI said that the report should be accepted because "the historic cost accounting method would result from these proposals... is more relevant and

useful for industry's purposes than either that of the present historic cost accounts or that of the CPP method." The Stock Exchange was more cautious and its views were shadowed those of the accountancy profession. There are a number of points where the Stock Exchange feels that the Sandilands report "are less than ideal," particularly in the major areas of defining the interests of shareholders.

In the Stock Exchange's view a primary aim of published accounts must be to show the profit attributable to shareholders and their participation in the equity of the company so that comparisons can be shown both between companies and between successive years.

In general debate has tended to centre around those aspects of inflation which current cost accounting does not deal with at all, or does not deal with adequately.

- (a) the decrease in value of monetary assets;
- (b) the decrease in value of obligations represented by monetary liabilities;
- (c) the whole effect of inflation on the value of the proprietors' interest in the company, irrespective of whether that interest is represented by monetary or non-monetary assets;
- (d) the description of the incremental differences between an asset's original cost and its value to the business as a "holding gain";
- (e) the problems of making valid comparisons over a period of time when the unit of measurement (the £ sterling) is unstable.

It is for these same reasons that the CCAB does not accept the Sandilands' assertion that CCA is a fully comprehensive

system of accounting for inflation.

The CCAB believes that in conditions of inflation the monetary unit is not a satisfactory measure, nor is money a satisfactory store of value. This is a fact which it believes ought to be brought out by accounts which purport to show the effects of inflation.

In the opinion of the CCAB inflation is an independent phenomenon which can be measured in a way that ought to be quite understandable so long as the convention that is used to measure it is clearly stated. Accordingly, the accountancy bodies argue that an index of general purchasing power is both acceptable and necessary "in order to measure the effectiveness with which the organisation has used the resources entrusted to it in comparison with others."

In order to measure general purchasing power the CCAB calls on the Government to compile a more widely based index than the retail price index (the retail price index was used for CPP accounting) and to publish it with the same regularity and speed as the RPI is published now.

Mr. Francis Sandilands, chairman of the Inflation Accounting Committee, has already rejected suggestions that CCA and CPP accounting should be combined by applying the concept of the £ of current purchasing power.

He argues that while some people would like to see monetary gains and losses identified—especially monetary gains from holding debt during a time of inflation—such gains or losses do not exist when accounts are drawn up in money terms. "They can arise only in terms of purchasing power, and it does not seem very helpful to know, for example, that a debt of £1m. incurred ten years ago is now worth only £1m. in terms of purchasing power, because £1m. is still owed to the creditor, and may be due for repayment next week or next month," he said.

The CCAB proposal for a statement showing the change in purchasing power of the shareholders' interest is therefore a compromise which is unlikely to meet with much opposition from supporters of current cost accounting. This statement will merely be a statistical calculation supplementary to the full current cost accounts.

Internationally, the inflation accounting debate has also swung very much in favour of

the sort of solution proposed in the Sandilands report.

The most significant development was undoubtedly the decision of the American SEC which published proposals on August 21, that quoted companies should disclose replacement cost data in notes to their accounts. This move was in direct conflict with an exposure draft of the Financial Accounting Standards Board (the body responsible for defining accounting principles in the U.S.) which favoured general purchasing power accounting.

Replacement cost accounting is also being considered in Australia and South Africa.

Quite apart from the official views of the accountancy professions both at home and overseas, and the published views of a small number of academic accountants, there has so far been little indication of what the accountant in practice or industry actually thinks about current cost accounting. Clearly a major education exercise will be required.

First off the mark as usual have been the major London accounting firms. At least four firms—Coopers and Lybrand, Deloitte, Price Waterhouse, and

Touche Ross—have already sent detailed comments on the Sandilands report to their clients. In addition several firms have been holding internal staff courses on the subject.

Only Arthur Andersen and Coopers and Lybrand appear to have organised conferences for their clients so far, but several other firms say they will do so immediately. The profession has given its views. Needless to say all the conferences have been over-subscribed.

No doubt there will be many problems on the road to a complete implementation of current cost accounting throughout British industry. The challenge facing the accountancy profession is certainly considerable but there is no reason to believe that it cannot be overcome.

Mr. John Grenside, chairman of the CCAB and president of the English Institute said yesterday that the profession stands ready to set up the machinery necessary to develop the new accounting standard and looks to Government, finance, commerce and industry for full support. That support must not be found wanting. It remains for the Government to start the ball rolling.

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A Government dilemma

NOW THAT the Consultative Committee of the Accountancy Bodies has published its considered reaction to the report of the Sandilands Committee on Inflation Accounting, the theoretical debate about the advantages and disadvantages of different methods is effectively over. The Sandilands proposals, as we pointed out when they appeared, from certain important defects, of which two in particular stand out. The first is that, by rejecting the possibility of devising some ad-hoc means of measuring inflation in general, the Committee has deliberately ignored the desirability of making some allowance for the reduced real value of monetary assets and the similarly reduced real burden of monetary debts. The second is that, because of the way in which it approaches the problem and its creation of the concept of a "holding gain," the Committee has recommended changes in the form of accounting which are more relevant to the needs of a finance director (and the finance director of a manufacturing company in particular) than to the rights of shareholders.

The accountants point out these weaknesses of the Sandilands approach yet seem content to accept the bulk of its recommendations. The largest shred of their own earlier proposals to which they insist on clinging is that company reports should include a statement (both for the year in question and the ten year summary of results) of the difference between the change in capital invested on the Sandilands definition and the amount needed to maintain the purchasing power of the capital invested — for which purpose it proposes that some new index more comprehensive than the RPI should be devised by the Government.

Profitability

Yet it is by no means certain that the Government is prepared to publish such an index, or indeed to take any immediate action at all. Indeed, one of the main reasons why the accountants, like the Confederation of British Industry and the Stock Exchange, have been willing to play down their particular objections to the Sandilands

recommendations and throw their weight behind the report may well be a fear that any serious disagreement between representative organisations would be used by the Government as a pretext for postponing action. While Mr. Healey was prepared to grant companies relief of tax on stock appreciation as a favour at a critical time, he may be less anxious to countenance a permanent change in accounting concepts which would reduce the size of the profits base for both company taxation and price control. The TUC would no doubt have in this matter, as in most others, its own openly political and faintly threatening point of view to put. Yet the recent drop in corporate profitability is so closely bound up with the failure to make adequate provision for the effect of inflation that any reform which acknowledges the urgency of reform is better than none.

All together

This explains the readiness to compromise of those whose views were in theory quite different from one another, and this readiness to compromise ought to have an effect on the Chancellor. He is himself at least well aware that a sharp reversal in the trend of profitability is essential. He should be equally well aware that a reversal of trend based on a reform of obsolete accounting conventions is more likely to bolster business confidence and encourage fruitful new investment than the mere continuation of an ad hoc concession on stock profits.

There is no point in setting up a Royal Commission to decide whether companies and individuals should both be exempt from capital gains tax on purely paper profits, since it is quite obvious what it would report. If he does, however, choose to adopt this traditional method of postponing a politically awkward decision, it should be made abundantly clear to him that he is himself jeopardising long-term industrial revival. The accountants, in particular, should not wait for the report of a Royal Commission before agreeing on the new form in which company accounts are to be published.

Dr. Schlesinger's legacy

FROM the personality point of view, the sacking of Dr. James Schlesinger as U.S. Secretary of Defense is a victory for Dr. Henry Kissinger. Dr. Schlesinger was the one man at the top of the Administration with the intellectual calibre which made him capable of standing up to the Secretary of State on foreign and defence policy. He could and did reach different conclusions. He was a rival and an acknowledged rival. Under a different President it might have been possible to harness their talents together, but President Ford was either unable or unwilling to do so. Instead he relied heavily on Dr. Kissinger, seeing and listening to the Defence Secretary only occasionally. Dr. Kissinger and Dr. Schlesinger themselves rarely met. Their disagreements were either leaked to the Press or emerged obliquely from public statements.

One voice

That was one of the weaknesses of U.S. foreign policy over the past few months. Everybody knew the two men did not see eye to eye, but no one was quite sure whether or not Dr. Schlesinger was beginning to gain ground. The result was that U.S. policy was often quite unclear — on arms to Israel, for example, or on the strategic arms limitation talks (SALT). Dr. Schlesinger's dismissal should go some way towards providing clarification, but it alone will not ensure that the Administration begins to speak with one voice. Dr. Kissinger has had just as many disagreements with Mr. William Simon, who remains as Secretary of the Treasury, and even with Mr. Earl Butz, who remains as Agriculture. A Department not wholly uninvolved in foreign policy. The Kissinger-Simon quarrels have dogged U.S. relations with the third world at

Intimates

It is possible that President Ford has already recognised this in his choice of successor. The new Secretary, Mr. Donald Rumsfeld, was until recently the U.S. Permanent Representative to NATO, an experience which should at least have taught him the danger of weakening Western defences any further. He is also a long-time associate of Mr. Ford. If Mr. Rumsfeld is capable of taking the same intellectually critical approach to SALT as Dr. Schlesinger but proves better able to put it across to his master, that will be the real gain from the changes. It might then be possible for the Administration as a whole to discuss the issue in a rational way and remembering three broad points: agreement is desirable; absence of an agreement is undesirable; but an agreement which leaves even the possibility of Soviet strategic superiority could have untold consequences for both the U.S. and Europe.

With Mr. John Riccardo, Chrysler's chairman, due to resume his talks with the Government soon, what is the mood of Coventry and Linwood? Christian Tyler and Chris Baur have been finding out

The Chrysler crisis: two towns that feel the threat

WHAT THE motor-car gave to Coventry, it is now taking away; and the city that 10 years ago boasted some of the highest wages and lowest unemployment in Britain is to-day calling itself a depressed area.

Even if all the 13,000 people who work for Chrysler in and around the city keep their jobs, unemployment in the area is going to settle at 7 per cent. by the end of the year. If Chrysler were to go, that figure would be nearly double.

The work force that arrived in Coventry during the 1950s and 1960s from all over the U.K. and Ireland can scarcely believe their ears when the city council tells them Coventry is now at the bottom of the league of non-assisted areas, with 16,000 unemployed and another 11,000 on short-time working.

Yet apart from the unusually large number of husbands to be seen out shopping these days, the visitor will find few surface signs of economic distress.

Coventry remains a monument to working-class prosperity. Like Sir Basil Spence's cathedral in the centre, it exudes a progressive if passionless air: as neat as an architect's model with civic pride covering lack of cultural soul.

Turned to humility

That pride has turned to humility. Employers and councillors are pleading with the Government to give Coventry assisted-area status, at least temporarily, so that it can free itself from its over-dependence on the ailing motor-car, machine tool and textile industries and attract new employers to the town.

Coventry's dependence on engineering—the highest concentration of any city in Europe—has been a worry for some years. And no-one is surprised that with Britain's industry in trouble, Coventry should be among the first cities to show the strain. Yet for the men and women at Chrysler, Triumph, Alfred Herbert, GEC and Courtauld—the biggest employers shaking out labour—the shock is severe.

"I came here 12 years ago because of unemployment in my town—Paisley, not far from Chrysler's Linwood," said Mr. Frank McCarmey, U.E.W. convenor at the Avenger factory. "I never thought I would live to see the day when Coventry went from boom town to doom town. There are just no jobs about and all I can see now is the dole queue getting larger."

Mr. Arthur Waugh Sar, labour leader of the council, and his colleagues are bitter about the regional policies that

milked Coventry of its industries' expansion.

"The Government has taken our natural growth away from us, hived it off. Chrysler Linwood was really Coventry's growth. There they are running two special trains a day between Ryton and Linwood when if they had put the two plants together maybe Chrysler wouldn't be in as much of a mess as it is now."

Some of the men were earning £120, £130, even £140 a week not so long ago. They have bought houses—most of the car workers do in this town—with mortgages running at £70 to £80 a month on top of their hire-purchase commitments. With short-time working they are

industrial balance. Councillor Waugh described the news as "a real blow below the belt."

After some expansion, the service sector — only 37 per cent. of employment compared with 65 per cent. nationally — has started to mark time. Coventry hopes to be chosen for new regional law courts — a boost for the construction business — but has lost its bid to house the Ministry of Agriculture.

Longer term, diversification is clearly the key. But right now there is nothing for the displaced worker to do — job vacancies have dropped to a mere 520 compared with 1,314 this time last year. In an

ing Employers Association. Scarlet Ribbons is a haberdashery.

Its pubs and off licences are positively palatial: there are seven purveyors of drink within about 150 square yards in the new town centre. And there is talk of another liquor store opening up there between the Bank, the Bookies' and the Laundry—a circumstance which has tickled the imagination of the local people who foresee the ease with which they will be able to withdraw their cash, get drunk, place their bets and get taken to the cleaners in 10 short strides.

Whatever Chrysler does, no doubt the city will smile again one day. But it will never forget 1975, the year the town was proposed a new city centre status—Lady Godiva reclining on a rusty Avenger car.

THE RENFREWSHIRE town of Linwood 10 miles as the crow flies from the centre of Glasgow, is probably Scotland's best-known "one-company community." Its name has become

well-patronised social clubs: its juvenile entertainment is run either in the after-hours use of schools, or at discos and dances organised by energetic local policemen who now regard themselves ruefully as "out of uniform baby sitters."

The town's attitude to Chrysler is ambivalent. Joe, of "Joe's Mobile Grocers," said his customers were very worried about the latest threat to employment "down the road"—adding, "you can see it in the women's faces." The manager of the longest-established local bank, the Clydesdale, was more matter-of-fact. "Look, this place has been living under a cloud since the car plant opened."

That is true, of course. If rumours of closure were the yardstick, then the £35m. Linwood car investment and its 7,500 payroll have existed on the shakiest foundations since the Conservative Government twisted Lord Rother's arm in 1961 and committed the company to Hillman Imp production in Scotland, six years before Chrysler took over.

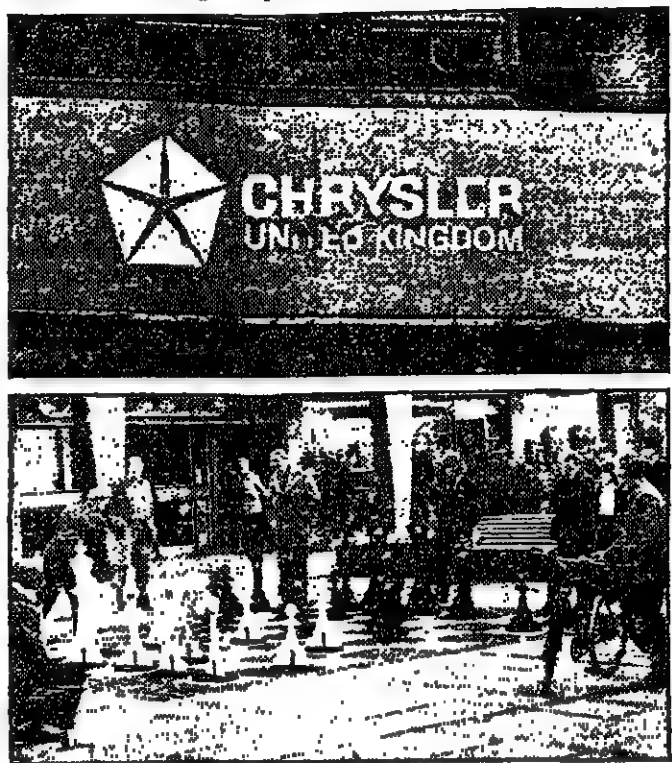
Fatalistic stoicism

Since then, the town has learned to read of each new crisis with a fatalistic stoicism. The local police sergeant talks of the "good workers becoming sickened by the endless strikes" while acknowledging that in the past three years there has been no major dispute at the plant: the local fish and chip shop owner, Mr. Dominic Di Ciaffa, recalls how he had to shut up shop and go on holiday during a particularly bitter strike some years ago. But he acknowledges that the present downturn in his trade may just as easily be due to the rising price of his fish.

But while Linwood itself, on one recent count, now has fewer than 800 people, or about 30 per cent. of its adult male population directly employed at Chrysler, those who work in the factories know the threat for the catastrophe it would be both in their own town and in other West of Scotland communities like Paisley, Johnstone and Renfrew, with a regional unemployment rate touching 7 per cent. They take the latest news from the U.S. most seriously and react in the only way they can think. "We're not going to let that plant go without a walk through it, if you are not careful, straight into a muddy field. About half its shopping spaces are still vacant (there are 20 boarded-up shop-fronts). There is no shoe shop, clothing store or restaurant. The town has no any of the machinery or all cinemas. Its adult recreation those stockpiled cars. We would need seems to be met largely by occupy the place."

The new concrete shopping centre, however, which was opened only four years ago, is a more obvious symbol of the way Linwood's rushed development has not yet carried it over the indefinable threshold from dormitory to community. You walk through it, if you are not careful, straight into a muddy field. About half its shopping spaces are still vacant (there are 20 boarded-up shop-fronts). There is no shoe shop, clothing store or restaurant. The town has no any of the machinery or all cinemas. Its adult recreation those stockpiled cars. We would need seems to be met largely by occupy the place."

There are many of the material outward signs of prosperity, with a very large car-owning population which somehow manages to find its way through the still-staircase, carefully-tended but totally-baffling warrens of council housing. It favours the slightly precious symbolic paraphernalia of plentitude—the Golden Comb is a hairdresser; the Ponderosa is a pub; the Golden Pheasant is an hotel; the



Faces of Coventry: (top left) decaying sign at Chrysler's Stoke engine works; (top right) studying the directions at the Department of Employment offices; (bottom left) a chess game to pass the time in the new shopping precinct; (bottom right) new cars at the Ryton assembly plant awaiting delivery to distributors.

down to £40 and £50 a week—taking bicycles to work and leaving the car at home—and may soon be out of a job. All the older car workers feel deeply for the young men just married or with small children.

"What I don't understand is this," said a foundryman. "There's thousands of Avengers sitting up there on the hill, but you ask the dealers in this town for one and they tell you it's two or three months to wait. My doctor couldn't wait that long, so what did he do? Bought a Datsun—and I don't blame him."

For Chrysler in leave, as many workers seem sure it will sooner or later, would be a disaster. But more painful in a way is the slow-down at GEC, where 1,100 of the 11,500 jobs are to go, with possibly many more to follow. Electronics was Coventry's biggest diversification and a growth industry that promised to redress the

employee population of 200,000, 520 vacancies are as good as none at all.

The Government's school-leaver subsidy was announced just too late to help the 1,500 still unemployed — assuming employers would have taken more on anyway.

The cost of Coventry's crisis is being borne mainly by the Government—£180,000 a week in unemployment benefit already, not to speak of rent and rate rebate applications in the pipeline. But the administrative and social burden will fall on the city—which may well have to defy the Government's standstill and recruit extra staff. The local Department of Employment has already grown to 250 from 160 last year in order to handle the unemployment pay-outs.

"One shouldn't go overboard on the depression stakes," warns Mr. Bill Tilden, deputy director of the Engineer-

ing of the six batches of almost 3,000 houses that have been put up to quadruple the former village's population. A wall placards announce that the place is patrolled by security guards with dogs. This is slightly less eerie than it seems—the signs have simply never been removed since the days, 12 years ago, when the estate was a building site.

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MEN AND MATTERS

Rosen's rabbits

Some 7m. people around the world have now read Richard Adams' eccentric tale about rabbits, Watership Down, and the book is to be turned into an animated (do not say cartoon) film. It will be made in Britain, and, to emphasise the contrast with the usual complaints about our declining film industry, is being financed by a group of City institutions.

The cost, probably approaching £2m., will come from five investing syndicates, one of them a merchant bank. Among the others is the stockbroker firm of Hoare and Co. Govett with cash coming, I gather, both from directors and private clients. It is the first time Hoare has dabbled in film finance, which appears true of the other participants.

By any standards, Watership Down is an unusual "property." Adams, then a civil servant, based it on stories told to his young daughters, but the book quickly caught on among adults. In paperback, Watership Down sold 1.55m. copies in Britain, and in America it stayed top of the sales charts for 13 weeks. The producer of the film is Martin Rosen, a 39-year-old American, resident in London for the past nine years, whose last success was as co-producer of Women in Love, the D. H. Lawrence story. He has an understandable line in overstatement: "I think Watership Down is one of the most splendid stories. It could be one of the great motion pictures."

my enthusiasm for its commercial potential."

He was compiling "The Bad Food Guide."

In the trade

At 06.30 this morning the Lord Mayor elect, Lindsay Ring, will be on parade for a preliminary run-through of Saturday's Lord Mayor's show. Few of the thousands who enjoy the show itself realise that the State Coach does this preliminary canter over the course (although a regulation speed of 2.58 mph is not best described as a canter) with strategically placed policemen timing the whole thing with stop-watches.

tended a formal invitation to both the Dean and the Lord Mayor elect to have breakfast.

This new departure is the idea of Austin Kingswell, the present Master of the Butchers' company (himself a Smithfield trader) and is not unconnected with the fact that Lindsay Ring is of Ring and Bryner, the catering company, and therefore in the trade. But I gather that the practice now established is to be continued in future.

Driven out

This is clearly a bad time for the British car industry to be retrenching in the face of import competition, but the last of the indigenous major car company magazines aimed at the customers has bitten the dust. The Vauxhall Motorist, which started in October, 1933, has packed up because of soaring print and paper costs.

The ailing Chrysler U.K. company stopped its equivalent magazine as long ago as 1967, showing commendably early appreciation, presumably, of the dangers of uneconomic operations. British Leyland, in the flush of merger enthusiasm, replaced a range of earlier titles (the Austin Advocate began before the First World War, and later others included the Jaguar Journal and Morris Owner) with a glossy, ambitious production called High Road.

One of Leyland's competitors recalls it enjoyed a "very short and stormy life." The idea was to appeal to both customers and employees, with a price per issue of 25p. The formula did not work, and High Road lasted a mere 15 months, finishing some five years ago.

to the Editor of Vauxhall Motorist occasionally made jaded executives feel the whole business was worthwhile. Of the 11 letters published in the final issue, ten praise the company, its products ("During these times when British cars are being criticised I feel I must thank all concerned for the efficient car I have just purchased..."), or the magazine itself.

The foreigners, with at least one notable exception, are pressing on with what one of them describes as a "jolly good PR exercise." The exception is Fiat, which around the beginning of the year dropped its magazine Pronto, which had been distributed via dealers.

Renault publishes a monthly called Autoworld, which new car buyers receive free for the first two-and-a-half years, and the magazine can be bought for

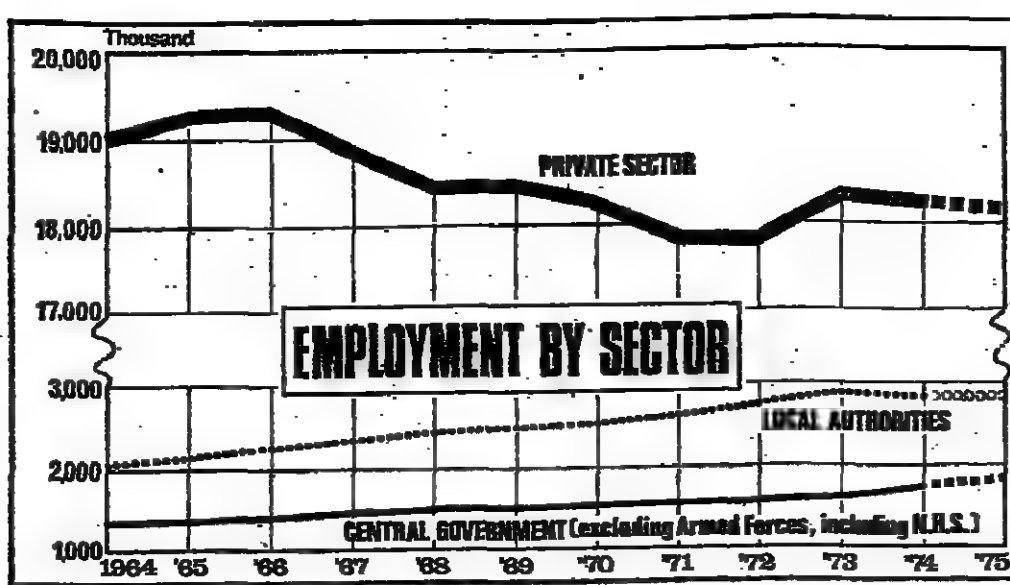
An equation that is too easy by half

THIS WINTER'S fashionable truism that the only need would fallacy will probably run as he to tell them that the time has come to get the bus back. Now wasting their time and our money in non-productive jobs in the public services. If only they can be shifted to production work, be it in manufacturing or service industries, we shall be back on the road to salvation.

An equation of this kind is shed around 150,000 workers because nearly everyone is at their total payroll down to just last beginning to realise that under the 2m. mark. This is there is something in its first hardly surprising: the mines and half. There are too many of the railways have led the people on the taxpayers' paying the nationalised industries in reduction. Agreed. The fallacy may be found in the supposition that if such people are refused employment by the Government or local councils, they will automatically turn to jobs that will increase our national wealth. This half of the proposition cannot be agreed: the verdict must be: "it all depends."

Temptation

For only the simplistic will succumb to the temptation that lies in wait in Table 13 of the Central Statistical Office's latest National Income and Expenditure Blue Book. The table, from which my graph is derived, shows that employment in the private sector fell by around 1m. in the decade to June 1974. It also shows that civilian employment in the public sector rose by roughly the same amount at the same time. It is far too easy to deduce from this that a million people handed in their cards at the factory gate and caught the bus to the local council or central government branch office in order to apply for easier and better-paid jobs. If this were



For while the number of doctors and dentists rose by 21 per cent, and the number of nurses increased by 36 per cent, the army of "administrative and clerical" workers, which includes catering, domestic and laundry management, shot up by 64 per cent. —from 49,016 in England and Wales in 1964 to 79,114 ten years later. All these particular figures, which are taken from Hansard of October 29, column 618, are in "whole time equivalents," which means that an adjustment has been made for part-timers.

In a speech announcing the examination of administration costs (but asserting that "we cannot start our cost-cutting exercises with services for patients"), Mrs. Barbara Castle, the Social Services Secretary, pointed out in July that "the number of administrative staff

including professions (nurses, doctors, engineers and so on) engaged in administrative duties —has increased at a faster rate than those engaged on clinical and treatment duties." Another recent Parliamentary answer, this time in Hansard of October 28, column 437, lends further support to the contention that there has been no slowdown yet. This table shows that an extra 16,472 "non-industrial" civil servants were recruited by central Government departments between March, 1974, and July, 1975. If the smaller number of "industrial" staff is taken into account the net increase is reduced to 10,923. This is largely explained by closures and reductions at RAF units and, in the words of the official who drew up the answer to the Parliamentary Question, "the difficulty in recruiting industrial staff in the dockyards."

The full answer also shows

of the Environment has arranged a new form of counting for England and Wales—and of course it is not seasonally adjusted, not strictly comparable, not old enough to be absolutely reliable, and a great many other negative things, according to the statements surrounding the two sets of figures issued so far.

Even so, it has to be noted that the number of local authority staff—leaving aside police, traffic wardens, and court and "agency" staff—rose by just about one full percentage point in the March-June quarter, the first for which we have such records (figures for part-timers adjusted). Seasonal factors may explain the 2,891 extra recreation, parks and baths part-timers, and even some of the 5,834 extra full-timers in those departments—but do they explain any of the other 5,000 or so full-timers taken on in this single quarter, or more than a fraction of the 12,000 other extra part-timers? The truth is that, while many local authorities are now trying a "no replacement" policy, it was not in operation in any meaningful way this summer; and the figures will have to be very convincing before people believe that it is starting to have any effect.

With so much evidence piled up there is no way round the conclusion that we must stop taking people on to the public payrolls. Indeed, if we lived in a harsher political or economic climate we would start dismissing some of those we have already. One way of doing this might be to undo some of the immense errors of the last Conservative Government—like Sir Keith Joseph's NHS "management structure," the farcical two-tier local authority job

creation programme, which was one of Mr. Peter Walker's blunders, or the absurd bureaucracy-multiplying new water-works authority system. But the sad truth is that—with the exception of water—our present Cabinet does not seem to have the energy, or the spirit, to tackle the admittedly difficult task of making up for some of the worst mistakes of its predecessors.

This is one reason why not too much hope should be placed on a reduction in the public sector workforce. The other reason is more fundamental, and it helps to explain why the second half of the newly-fashionable equation must be treated with scepticism. It is this: a very large part of the growth in the service sector, including the government service sector, is accounted for by the increasing propensity of married women to go out to work. The October, 1975, issue of the Department of Employment Gazette tells us that "between 1961 and 1971 almost all the growth in service employment was due to growth in the numbers of female workers, by nearly 1.2m., and the indications are that almost all this growth has been in part-timers." In 1981 half of our women workers were married; now the figure is around two-thirds; by 1991 it is expected to be three-quarters. According to the Gazette, roughly three-quarters of the growth in public service employment in the ten years to 1971 was accounted for by the health and education services.

In other words, we have been taking on more nurses, teachers, social workers, canteen women, cleaning ladies and copy typists in the public services, largely because of a change in social

Growth

Of course this is not the whole story. There has been a tremendous growth in the number of senior administrators, professional workers, and planners in the public services. We could do without many of them, starting with the "Directors of Leisure" now employed by a so many local authorities. But how soon would they be productive elsewhere? The Department of Employment study suggests that while we have lost skilled workers, there has been a rapid growth in the number of foremen and supervisors, in all sectors, and a rocketing increase in the number of employers, managers and associated clerical staff. There also has been a movement into self-employment by men, which helps to explain the fall in the number of "productive manual workers."

None of this is meant as an argument against cost-cutting in the public sector; heaven forbid. It is simply meant as a warning against any too-simple pronouncement of the likely effect on the other side of the balance-sheet. If the conditions were right, the effect would come, but it would be foolish to expect too much too soon.

Letters to the Editor

Elimination of equity capital

From The Chairman, Airco Industries.
Sir—Sir Bernard Miller over the weekend suggested the elimination of equity capital in the cause of industrial democracy (November 3). He seems to believe that the success of his policy in his former company and one or two others justifies its adoption in private industry as well as the nationalised sector. I am sure one could perhaps cite the failure of the various co-operatives as an argument against his point.

Sir Bernard, however, misses two main points. —That the replacement of the inarticulate shareholders by articulate "partners" does little to create industrial democracy in large concerns. —There is no evidence that unions in monopoly situations are any more considerate of the needs of the nation as a whole than are capitalists. If anything, the reverse is true.

The only argument in favour of the capitalist system is that competition enforces efficiency and that efficiency is duly rewarded by success. Thus, many forms of company ownership can and do succeed in the competitive private sector, none of them having all the desirable virtues but all being controlled or encouraged by market forces.

National monopolies affected by political plays and exploiting their solus market position, will always distort the economy and be inefficient due to sectional greed, whether in the hands of shareholders, unions, "partners" or Government Boards.
R. R. M. Ehrmann,
17, Old Court Place, W.4.

Machine tool frustration

From The Editor, The Engineer.

Sir—One can imagine the frustration facing Mr. Gregory (October 31), who now finds that delivery of machine tools ordered in May, 1974, has slipped at least three months until after December.

But Mr. Gregory is not alone. At least one division of British Leyland is facing an exactly similar situation. And other companies have complained of the poor delivery of British machine tools. Under these circumstances it is hardly surprising that the industry tends to get a bad name. Continental machine tool builders deliver their machines late too, but we never hear about them.

What is so worrying, however, is that Mr. Gregory's instance of poor delivery—and others—comes at just the same time that the Department of Industry releases figures which show that not only are some firms in the U.K. machine tool industry running at 30 per cent capacity but there is a serious 61 per cent drop in export orders in home orders. And the industry is facing order books of no more than eight to 11 months. It may well be that Mr. Gregory's suppliers are not in this category. Nevertheless, late deliveries do pose three questions which seem to go unanswered by the machine tool industry. Why are machine tools delivered late when the industry is running at less than half capacity, men are being laid off and at least two firms in the industry are in very serious trouble? How does the industry hope to cope with the massive

machine tool orders for British Leyland and other firms? Is to be regretted that the Government has order books stretched over two years, giving it a false sense of security. Surely it would be better to give customers good service with sound, reliable machines delivered on time and which convinces customers to come back for more? Also it should adopt more aggressive selling and it should increase its throughput of machines on the production line to bring in the cash quickly so that in the good times it earns good, solid financial foundations which can support it through lean times.

The industry should work harder in lean times to give good service. It should not cut back facilities to make the order books long again.
John Mortimer,
30, Calderwood Street,
Woolwich, S.E.18.

Post Office predicament

From Mr. W. Grey.

Sir—Roy Levine, analysing the present predicament of our postal services and their users (November 3), included collection among the "basically fixed" charges which make up about half the total cost.

In fact, the number of daily collections in most places (weekends apart) could well be cut, with no real reduction in the quality of service provided, to bring it more nearly into line with the number of daily deliveries. To have just one delivery and one collection a day could, I understand, save the Post Office between £20m. and £40m. a year, depending on how the load was spread throughout the day, or the equivalent of between 3p and 1p on the price of a letter.

Such a saving, particularly after the latest round of rate increases, seems sufficiently worthwhile to merit the closest attention of all concerned.
W. Grey,
12, Arden Road, Finchley, N.3.

Index-linked Govt. Stock

From Mr. J. Ross.

Sir—It is disappointing to see Mr. Kee-Mogg (October 31) in much wholehearted support of Anthony Harris's proposal for index-linked Government stock, because the proposal is based on a misconception of the nature of the problem and is thus incapable of solving it.

The reason for the rising cost of servicing Government debt is simple: it is that a large part of Government borrowing is used to meet consumption and not to create income-producing assets, so that when a loan has to be repaid it is necessary to borrow further to repay the loan. This leads inevitably to the rising cost of debt servicing which Mr. Harris draws attention to. A finance director of a company could not permit this to occur; a Government could not permit it to occur in the cash terms if, and only if, the indirect effects of their borrowing caused an increase in GNP. In these circumstances the money cost of debt servicing would increase but would re-

main a constant proportion of GNP. Mr. Harris, however, shows that the cost of debt servicing has risen from 4.2 per cent to 7.5 per cent of GNP since 1971.

This being the cause of the rising cost of debt servicing, the solution is clear—it is to finance the State's expenditure on current consumption from the taxation of current income.

That the alternative suggested by Mr. Harris is bound to be ineffective can be seen by considering the position of the borrower—he will only take up the alternative loan if it appears to him to offer a better deal in real terms—that is, if it is going to cost more in real terms to repay it with interest. It is hard indeed to see how both borrower and lender can be better off.

J. F. M. Ross,
3, Craiglockhart Park,
Edinburgh.

£6 pay limit

From Mr. T. R. R. O'Connor.

Sir—May I comment on Mr. McDowall's reply (October 29) to my letter of October 27.

Mr. McDowall confirms what I had thought that the basis of the counter-inflation policy is a flat rate increase for individuals. Groups of workers only seem to become involved where, in Mr. McDowall's words, "an agreement was reached before July." By "agreement" I assume Mr. McDowall means a firm and detailed commitment, not simply an agreement to some unspecified restructuring in the future.

I am left more puzzled than ever over the junior hospital doctors. Firstly, no detailed agreement had been reached before July; secondly, if the proposed new contract were implemented the doctors who benefit most would, I understand, get an increase of around £20 per week for doing the same job, others would get a reduction.

Surely, the Government must accept that this sort of restructuring of junior hospital doctors' remuneration is completely outside the basic philosophy of the pay policy. If this is the case, the Government must either hold to its flat rate for individuals or must admit that the new contract is an unavoidable exception and that a "no detriment" clause is an essential part of the contract. The Government just cannot go on pretending that the new contract would be within the pay policy just so long as the total amount of money involved stays the same, which position is clearly unaltered by Mrs. Castle's latest proposal.

T. R. R. O'Connor,
Broomgrove,
Goring-on-Thames, Reading.

Crucial role of prices

From Mr. R. Edwards.

Sir—Mr. Gordon Tether (October 30) stated that "employers have to make a comparable sacrifice" under the price code to those made by workers under the incomes policy.

There is surely no economic comparison between the sacrifice which individual wage and salary earners are asked to make with the "sacrifice" which employers have forced upon them. Such equality of "sacrifice" might have some meaning in a cottage industry economy where the individual employer owned the resources and where his net profit represented his own spendable income. But it surely has no meaning in our industrial society where the typical employer is a company whose very

existence depends on its maintaining a reasonable measure of profitability, not to increase nor even to sustain the spendable income of the proprietor, but to maintain an adequate cash flow within the business and hence enable that business to continue to provide employment to its workers.

The processes of dividend and salary restraint will already impose not only comparable but probably greater sacrifice on proprietors and managers than on wage earners. The unrelieved operation of the price code deprives not proprietors and managers of spendable income, but the business itself of the power to invest and maintain its work force.

R. Edwards,
Hollybush Road,
West Byfleet, Surrey.

Icelandic fisheries

From Mr. R. Beale.

Sir—The two conflicting aspects of the 200 mile limit claimed by Iceland are clearly stated in your excellent article of October 30 but, unfortunately, they are not brought together to emphasise the moral issue facing us if the facts are adequately supported.

The first aspect is the warning that if severe conservation measures are not adopted, the fishing which accounts for 80 per cent of Iceland's exports will be irreparably damaged. The second is that restriction of the British fleet will have an effect upon employment in our East Coast ports.

Close connections with Iceland dating back to World War II and some unofficial involvement in the two previous fishing disputes leave me in no doubt as to the genuine fear experienced by a small nation with a population less than that of the City of Leicester at the threat to its main source of livelihood. Our own Devon and Cornish fishermen already face a similar fate from the methods of our EEC partners among the pilchards and mackerel.

Some memories may not go back that far, but I saw for myself the war contribution of that little nation far out in the Northern Atlantic, which suffered more than its proportionate loss in men and ships helping to feed us. It may surprise many to hear that without the use of the 20 mile long Hvalfjörður, near Reykjavik, as a staging and interchange base for British and U.S. naval escorts we could not have won the Battle of the Atlantic, a deciding factor in our victory of 1945.

Whatever else may occupy our currently troubled minds, let us never forget that Britain was once the protector of small countries, often at far greater sacrifice than that which may be necessary in the present circumstances. Remembering that, we may be on the way to restoring the "Great" name of our country—even in your article!

Ronald Beale,
Chimneys, 27, Outlands Close,
Weybridge, Surrey.

The price of milk

From Mr. C. Wilson.

Sir—I can confirm Mr. White's contention (October 30) that a price of milk is still very very cheap. In my household, the weekly cost of tap water is just about double the milk bill.

Charles F. Wilson,
Asquith, Royal Chase,
Farnbridge Wells, Kent.

To-day's Events

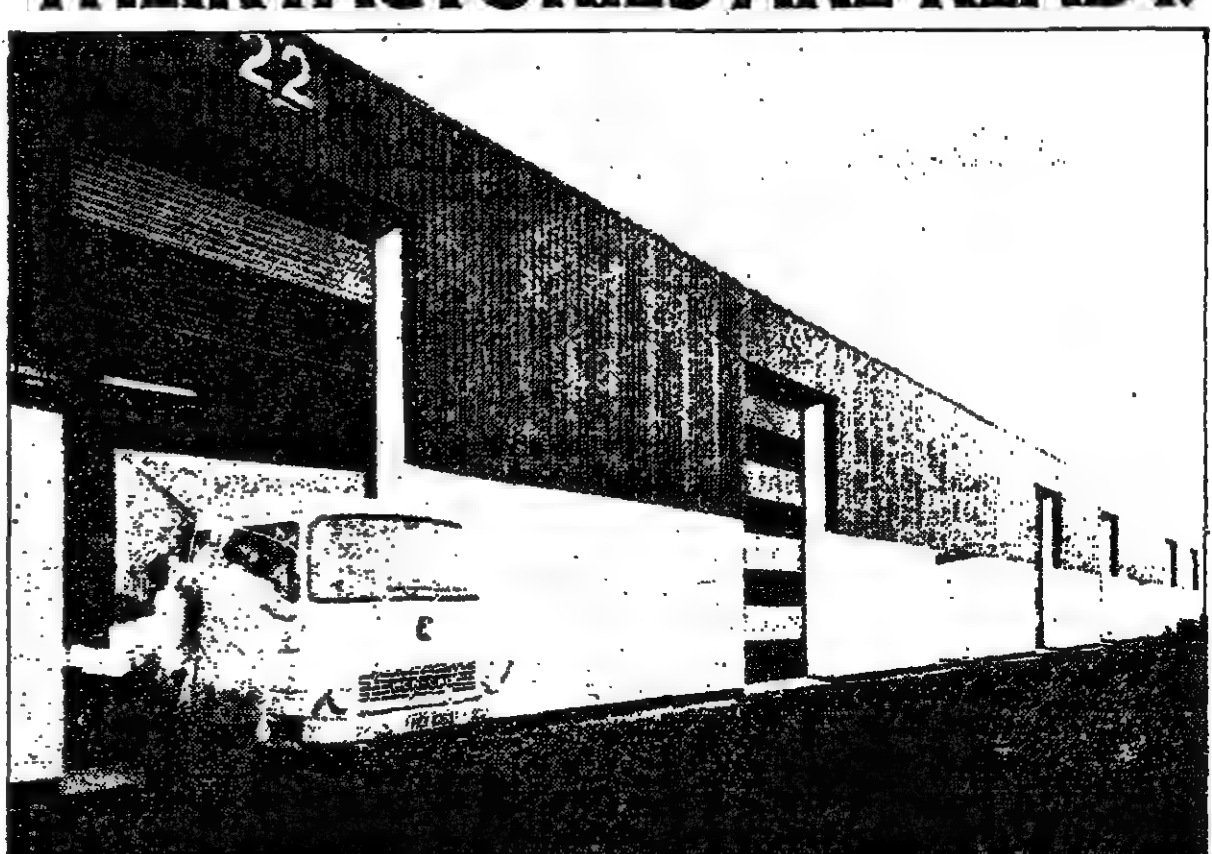
Prime Minister chairs meeting of National Economic Development Council at Chequers to consider Government proposals for industrial strategy.
Parliamentary Labour Party holds special meeting on economic situation, London.
SEC Council of Foreign Ministers begins two-day meeting, Brussels.
President Sadat of Egypt ends U.S. tour, after which he will pay official visit to Britain.
Hospital consultants discuss forthcoming Royal Commission on National Health Service and consultative document on separation of private practice, London.

Public inquiry into Lismore blast furnace's pay dispute continues, London.
Department of Trade and U.S. Civil Aeronautics Board begin talks on low-fare tour charters, London.
Labour MPs allowed free vote on Government proposal to make use of dipped headlights compulsory (see under Parliamentary Business, below).
Lord Robens gives Laurie, Millbank centenary lecture under auspices of City University entitled "The City and Industry," New Plasterers' Hall, EC2.

Financial Times two-day conference on Inflation Accounting—Implications of Sandilands Report, opens at London Hilton, W1.
William Tyndale School inquiry continues, County Hall, SE1.
International Coffee Council meeting continues, London.
PARLIAMENTARY BUSINESS
House of Commons: Consideration of Lords amendments to Petroleum and Submarine Pipelines Bill. Motions on Road Vehicles Lighting (Amendment) (No. 2) Regulations (Dipped Headlights).

House of Lords: Community Land Bill, report stage.
COMPANY RESULTS
William Baird (half-year).
Birmid Quaker (full year).
Copper-Neil (half-year).
Eva Industries (half-year).
Readicut International (half-year).
Whitbread and Co. (half-year).
COMPANY MEETINGS
Branston Tea, 82, Osneyburgh Street, NW.4.
Guilford Brindley, Coventry, 12.30.
Hartley Baird, Winchester House, EC.2.30.
Peters Stores, Watford, New-castle upon Tyne, 12.
Thyomorton Secured Growth Trust, 25, Milk Street, EC.12.30.

WOULD THE FOLLOWING INDUSTRIES PLEASE CONTACT US IMMEDIATELY. THEIR FACTORIES ARE READY.



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Light Engineering,
Machine Tools,

Pharmaceuticals,
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COMPANY NEWS + COMMENT

Record £8.65m. seen by Averys

TAXABLE PROFIT of weighing, testing and measuring machine makers, Averys, advanced from £3.15m. to £8.65m. for the first half of 1973 and Mr. R. C. Hale, chairman, forecasts a year-end result of about £8.65m. compared with last year's record £8.15m. Profit for the second half will be "similar" to the £4.98m. earned in the latter six months of 1972, he says.

First half earnings per 25p share are shown to be up from 3.66p to 4.03p and the interim dividend is being raised from 1.47p to 1.58p net. Last year's total was 4.34p.

The improved first half results have to a large extent arisen from strong export demand for weighing and testing machines, which has contributed not only to the results of companies abroad but also to the profit of the main subsidiary, W. and T. Avery, whose factories have been able to maintain a high level of production. This has been a key factor in holding costs and maintaining profitability, states Mr. Hale.

Investment income has fallen slightly due to the diversion of funds to trading operations but liquidity has been well controlled and the company does not foresee any problems in this connection.

	1972	1973
Turnover	2,402	2,439
Trading profit	2,384	2,391
Profit before tax	1,077	1,291
Profit after tax	1,037	1,251
Dividends	1,340	1,521

comment
Averys is 181 per cent. ahead pre-tax but once again expecting little or no profit growth in the current half-year. Volume sales overall are modestly up; the group has pushed ahead overseas, especially in India, which partly explains the rising tax charge, while in the U.K. weighing machines are off-setting a downturn on the general products side. The forecast suggests earnings for this year of around 10p, assuming the tax charge can be offset back to, say, 55 per cent. And this would cover a prospective yield of 8.8 per cent. at 165n more than twice. There remains net cash in the group balance sheet.

Better first half from Ocean Wilsons

PROFIT BEFORE tax of Ocean Wilsons (Holdings) improved from £107,094 to £107,332 during the six months to July 31, 1973. For the year 1972-73 profit was £1.61m.

The interim dividend is being

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Cedar Investment	20	8	Haggas (John)	20	7
Charles (David)	18	7	Lep Group	18	8
CLRP Investment	20	7	Mallinson & D. Mott	20	6
De La Rue	20	4	More O'Ferrall	18	2
Dolan Packaging	20	4	Ocean Wilsons	18	1
Electrocomponents	18	7	Polymark Intl.	18	4
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F.C. Finance	20	8	Weeks Associates	18	5

Scottish National improves

kept at 1p net and in the absence of unforeseen circumstances, the directors expect to recommend a final up from £1.238p to £1.30574p, the maximum allowed. Earnings per 20p share are shown to be up from 6.62p to 6p in the first half.

Six months 1972 1973

Group turnover	14,584	14,584
Profit before tax	253,251	184,176
Profit	123,241	124,102
Not profit	130,010	60,074
Interim dividend	64,136	67,148
Reserves	234,241	271,581

on realisation of investments are not included in the figures.

Recession hits More O'Ferrall

THE RECESSION in U.K. advertising coupled with increasing costs will mean lower profits for More O'Ferrall in the current year, compared with the record £490,000 achieved in 1972.

In the first six months of 1973, profits contracted from £235,000 to £161,000, and stated earnings per 10p share are lower at 0.3p (2.7p).

The advertising recession in the U.K., which started early in the year, has continued into the second six months, the directors state. Prospects for 1973 appear to be more favourable, particularly on the Continent where the advertising programme continues.

The interim dividend is 0.75p (1.1p) net—1972 a total of 2.8p was paid.

Lady Elizabeth More O'Ferrall and Mr. E. R. More O'Ferrall have waived the interim in respect of their personal holdings.

First half 1972 1973

Turnover	1,300	1,410
Profit	60	58
Taxation	20	17
Attributable	21	19

figures include company's proportion of results of associates.

Unochrome tops £0.5m. halftime

TURNOVER of Unochrome International increased from £19.27m. to £10.93m. during the year to June 30, 1973, and pre-tax profit was up from £490,961 to £303,530. The 1972-73 profit, includes £28,089 from an associated company.

In the first half profit was up from £213,000 to £233,000.

Stated year-end earnings are up from 2.05p to 3.14p and dividend total is 0.4p net (0.35p) with a final of 0.2p.

Tax charge for the year was £142,558, compared with a credit of £1,705. There was an extraordinary debit of £18,108 (£82,110 credit) and a minority profit of £2,231 (£137,417), leaving £240,842, against £403,379 available for the ordinary.

A Unochrome subsidiary, Silverthorne Group, which makes domestic fittings, incurred a pre-tax loss of £85,607 for the same period, compared with a profit of

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£256,725. In the first half profit was down from £102,366 to £30,326. Loss per 10p share for the year is 1.21p, against earnings of 3.45p, and there is no dividend payment (1.88p net).

Turnover was up from £2.64m. to £2.83m. There was a tax credit of £16,981 (£135,878 charge) and extraordinary items of £4,104 (nil).

Unochrome's business is that of hard chrome platers, heat treatment specialists and rubber machinery makers, etc.

Mid-term rise at Polymark

SUPPLIERS of machinery to laundries and garment manufacturers, Polymark International announces first half 1973 pre-tax profits up from £167,000 to £220,000 and an interim dividend of 0.804375p net.

Profits for all of 1973 reached £424,000 and there was a single final dividend of 1.4625p.

The directors report that trading in the second half continues satisfactorily, and there are encouraging signs that some of the major export markets are moving out of recession.

Six months 1972 1973

Turnover	1,702	1,712
Profit	3,570	2,629
U.K. taxation	228	69
Overseas	19	69
Minorities	3	25
Attributable	164	84
Interim dividend	39	84

Profits do not include any exchange profit on consolidation—£25,000

resulting from conversion of assets and liabilities of overseas subsidiaries at exchange rates ruling at June 30, 1973.

Full year's accounts will include profit on exchange based on rates applicable at December 31.

comment

Polymark's European companies are still in a rut, so the credit for a 32 per cent. increase in pre-tax profits must go to the U.K. interests and, in particular, to steady demand for new machinery in a rationalising laundry industry.

A growth contribution from overseas could mean pre-tax profits of at least £1m. this year for a prospective p/e of 31 at 34p.

Interest charges absorbed over two-fifths of trading profits in 1973 but some reduction has been seen in the level of debt. This stood at £1.6m. in the last balance sheet, credit and a minority profit of £2,231 (£137,417), leaving £240,842, against £403,379 available for the ordinary.

A Unochrome subsidiary, Silverthorne Group, which makes domestic fittings, incurred a pre-tax loss of £85,607 for the same period, compared with a profit of

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Mr. Richard Hale, chairman of Averys.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding dividend	Total for year	Total last year
Averys	1.57	Jan. 5	Nil	1.57	1.57
Birmingham Merc.	1.12	Dec. 10	1.30	1.9	1.9
Cedar Trust	0.9	Dec. 11	0.9	1.8	1.8
CLRP Trust	2.12	Jan. 2	2.10	4.2	4.2
De La Rue	1.83	Jan. 10	1.83	3.66	3.66
Electrocomponents	1.82	Jan. 10	1.82	3.64	3.64
FC Finance	0.87	Jan. 2	0.87	1.74	1.74
Feedex	0.10	Dec. 16	Nil	0.10	0.10
W. Menshall	0.7	Jan. 6	0.7	1.4	1.4
Wm. Mallinson	0.7	Jan. 31	1.1	1.8	1.8
More O'Ferrall	0.73	Dec. 18	1.07	1.8	1.8
Ocean Wilsons	1.04	Jan. 1	1.8	2.84	2.84
Polymark Intl.	0.8	Jan. 1	1.8	2.6	2.6
Scottish Nat. Trust	1.7	Dec. 19	1.81	3.51	3.51
Silverthorne	Nil	—	0.08	0.08	0.08
Weeks Associates	0.2	—	0.18	0.38	0.38
Unochrome Intl.	0.4	—	0.4	0.8	0.8

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Feedex up 19% so far

IN THE first half of 1973 Feedex, the Yorkshire-based pig feed, engineering and pig producing group, increased pre-tax profits by 19 per cent. from £204,000 to £243,000 on turnover up from £1.94m. to £2.35m.

The interim dividend is lifted from 0.485p to 0.573p and a one-for-eight scrip issue is proposed.

Dividends for 1972-73 totalled 1.17p paid from pre-tax profits of £383,000.

Chairman, Mr. John Williams, says the result was achieved in a very uncertain economic climate, and is a confirmation of the policy of working within the agricultural industry.

The rights issue earlier this year, together with the group's "very positive cash flow," has provided resources for further capital investment and reduced the group's overdraft considerably, Mr. Williams tells members.

The new mill at Beverley has increased sales steadily in the half-year, during a time of severe competition.

Further investment in pig production was made enabling the pig production and marketing division to make an increased contribution to half year results.

The engineering subsidiaries went through a period in the

winter when order books were short, reports the chairman, but sales in the second quarter were "more than satisfactory." Both agricultural engineering subsidiaries made a good contribution to the overall result, he adds.

On the future, Mr. Williams says: "Indications for the current year lead me to believe that our results in the first half of the year should be maintained."

comment

Expanding pig production at Feedex when others were cutting back last year appears to have paid dividends judging by the 19 per cent. jump in pre-tax profits. Basically the margin improvement lies in the way meat costs declined at a time of increasing pig prices. Elsewhere animal feeds taking in a full contribution from Q Feeds acquired last year saw an advance, but agricultural machinery sales remained indifferent though an improvement has been registered in the last few months. All divisions are apparently well in front



Frequent meetings of Morgan officers from around the world are held in major financial centers. In New York Senior Vice President Robert Hill (center) discusses latest international banking developments with heads of the bank's representative offices.

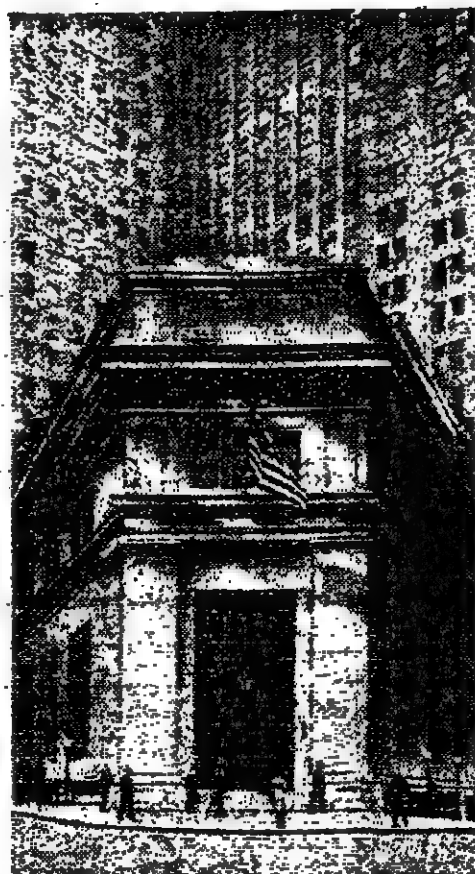
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When you do business internationally, financial problems are more complex. You need a bank that combines broad resources with depth of experience, a bank with short lines of communication and the quick response of a unified team.

To meet this need, consider Morgan Guaranty. Morgan offices in the world's key financial centres—in the U.S., Europe, the Middle East, South America, the Far East—are staffed by bankers with an unusual degree of international expertise.

These bankers are in frequent contact with all our offices. Many have served at several Morgan locations and know intimately the economies, industries, and financial markets of different countries. They also know where in the bank to find the further specialised knowledge and skills your problem calls for.

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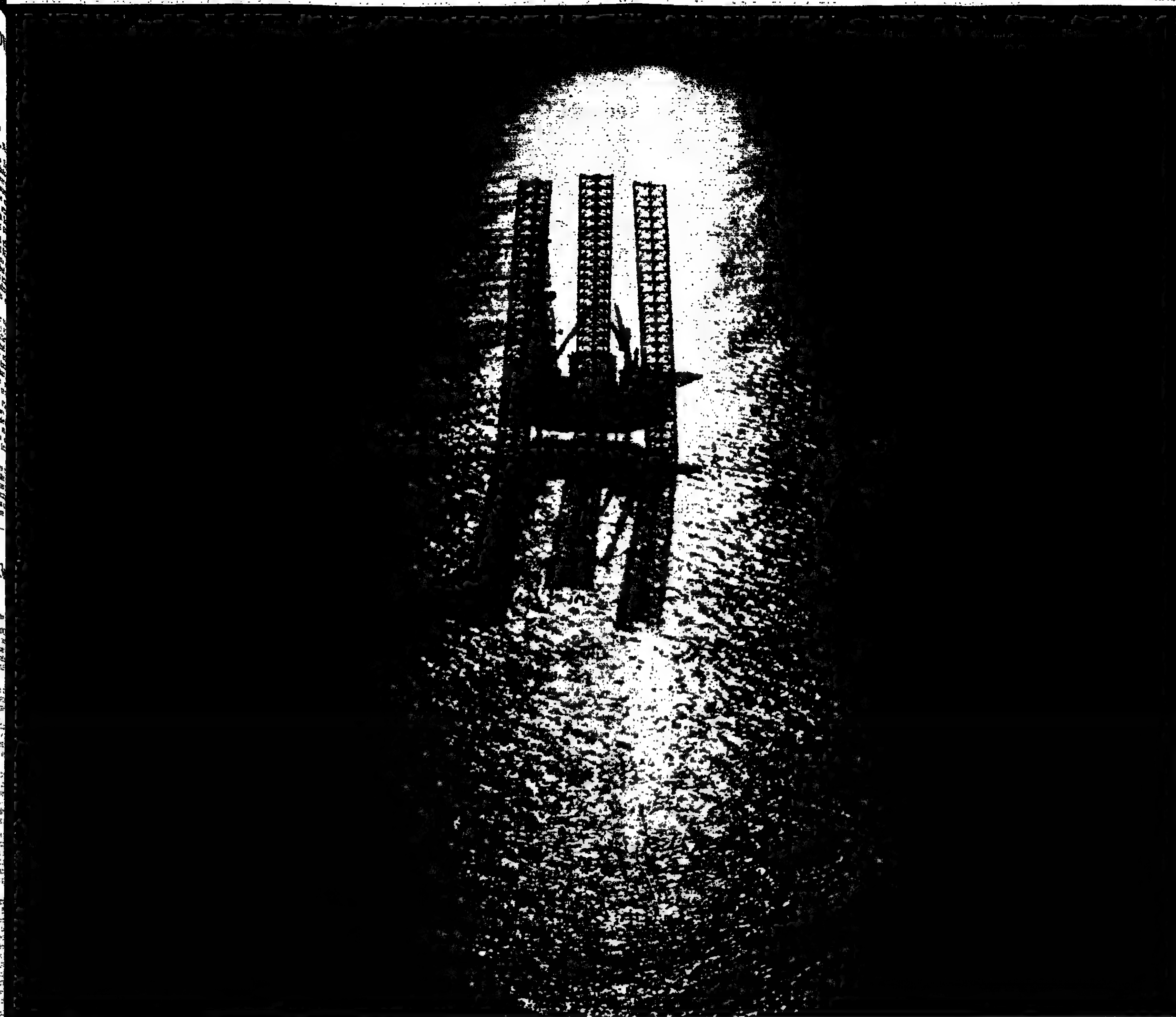
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Sir Albert is looking forward hopefully

C. T. Bowring & Co. Limited
The Bowring Building, Tower Place, London EC3P 3BE
Telephone: 01-283 3100 Telex: 888321



These days, it takes more than money to make money

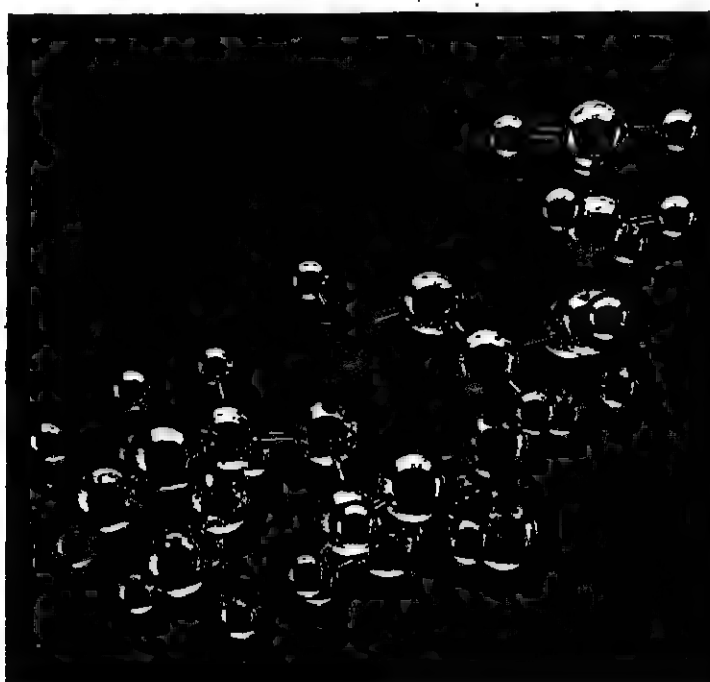
Developing new technologies or businesses these days takes more than a good idea, elbow grease and an able bank manager.

It takes a whole gamut of special financial services. Which is where businessmen who use the Midland have a very considerable advantage.

They get, naturally, the traditional strengths of a great British bank.

More than that, through their Midland managers, they get access to services provided by all the powerful companies which make up Midland Bank Group.

Services which include facilities for term loans, leasing, hire-purchase, merchant banking, equity capital for growth companies,



international insurance broking and advisory services, off-shore financial services, international and export finance, travel, factoring, investment management, and trust services.

A complete range of facilities, in fact, to match company needs. And all available in the same direct way you're used to dealing — through your local manager at any of 3,000 Group branches in Britain.

If yours is a developing, demanding sort of business, arrange to see your Midland manager soon. He will advise you on the facilities you need and put you in touch with the right Group companies.

A simpler way to tackle complex problems



Midland Bank Group

Principal trading companies: Midland Bank Limited, Clydesdale Bank Limited, Clydesdale Bank Finance Corporation Limited, Clydesdale Bank Insurance Services Limited, Scottish Computer Services Limited, Northern Bank Limited, Northern Bank Development Corporation Limited, Northern Bank Executor and Trustee Company Limited, Northern Bank Trust Company Limited, Midland Bank Trust Company Limited, Midland Bank Finance Corporation Limited, Forward Trust Limited, Midland Montagu Leasing Limited, Griffin Factors Limited, Midland Bank Trust Corporation (Jersey) Limited, Midland Bank Trust Corporation (Guernsey) Limited, Midland Bank Insurance Services Limited, The Thomas Cook Group Limited, Thomas Cook Limited, Thomas Cook Overseas Limited, Thomas Cook Bankers Limited, Samuel Montagu & Co. Limited (Incorporating Drayton), Drayton Montagu Portfolio Management Limited, Northern Bank Finance Corporation Limited, Midland Montagu Industrial Finance Limited, Jersey International Bank of Commerce Limited, Bland Payne Holdings Limited, Bland Payne Limited, Bland Payne Reinsurance Brokers Limited, Bland Payne (UK) Limited, Southern Marine & Aviation Underwriters Inc., Bland Payne Australia Limited, Guyerzeller Zumtobel Bank AG.

Gilt-edged lead the way to improved turnover

BY GEOFFREY FOSTER

TOTAL Stock Exchange turnover last month of £2.7bn. was up £1.7bn. on the September figure of £1.0bn., that being the lowest total so far this year.

The number of bargains rose 63,464 to 475,733 and the Financial Times Index for All Securities of 206.5 compared with 153.7 in September, the year's high so far is 355.3 attained in January.

The big improvement in business, just over 34 per cent, in money terms, was largely due to increased volume in Gilt-edged securities, and in short-dated stocks in particular.

Turnover in British Government stocks rose £1.6bn. on the month to £4.7bn., with the short-dated total of £2.9bn. contributing £1.4bn. of the rise.

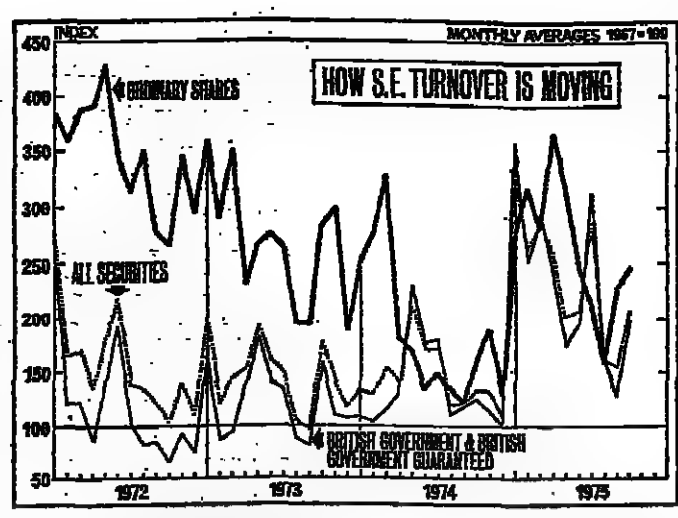
The improvement in short-dated stocks was even more spectacular, when compared with the September figure of £1.5bn., the lowest for the year to date. Bargains improved 6,530 to 58,899 overall and by £2.22 to 23.22 in the shorts.

The average value per bargain was up £50,772 to £122,884. Business in other fixed-interest securities improved marginally (£0.2bn.) to £1.8bn.

The Financial Times turnover index for British Government Securities last month was 198.5 against 129.9 in September, 1973. In August, compared with January's high of 319.2.

Last month also saw a further improvement in equity turnover to £1.4bn., up from £1.3bn. recorded in September which in turn halted a four-month successive decline. The August figure of £0.9bn. being the low for the year so far.

There was one more business day last month than in September and the total number of bargains increased by 83,077 to 368,435. The average value per bargain, however, decreased to £3,748 compared with £4,062 in September.



The Financial Times turnover index for Ordinary Shares showed an improvement last month to 246.4 from 228.7 in September, the 1975 low point of 158.0 was established in August.

Gilt-edged quotations generally waned last month, but the feature of the month was the erratic movements in the short-dated stocks. Down initially on the 1 per cent increase in the Minimum Lending Rate, prices then perked up over the first two weeks on confirmation of lower U.S. Treasury bill rates.

Equities erratic

Subsequent news of U.S. prime rate cuts to 7 1/2 per cent helped stimulate demand and bring about the exhaustion of the "short-run" Treasury 9 1/2 per cent, 1980.

However, keen disappointment with the Chancellor's economic review at the Lord Mayor's banquet and complete absence of any short-term measures to curb Government expenditure brought about a relapse which resulted in the biggest one-day fall on October 17 of 0.79 to 27.89 in the

Financial Times Government Securities Index since May 5. Closing September at 80.10, the Government Securities Index initially dropped to 56.02 on October 3 following the MLR rise. The index then fell further to 56.95 on October 20 before rallying to close the month 2.05 down at 58.95.

Equity shares' last month, although very erratic, held up surprisingly well considering the economic problems weighing on sentiment.

Even the shock resignation of Mr. Jim Slater from the Boards of both Slater Walker and Lubok Investments, although causing obvious concern, was absorbed fairly well.

From an end-September level of 323.4, the Financial Times Industrial Ordinary Share Index eased down to 321.6 (October 6), then rose rapidly to break through the psychological barrier of 350.0 to 351.4 (October 23) and then 360.0 (October 28) before closing the month 21.6 higher at 351.2. The 1975 high of 365.3 was recorded on June 5.

Category	Value of all purchases, % of and sales total	Number of bargains, % of total	Average value per bargain, pence	Average value per bargain, pence	Average no. of bargains per day
British Govt. and British Govt. Guaranteed:					
Short dated (having five years or less to run)...	2,327.5	43.4	23,236	5.1	127.3
Others	1,762.5	26.2	35,063	7.3	76.8
Irish Govt.	199.6	2.9	2,740	0.6	8.7
U.K. Local Authority	312.4	4.7	8,184	1.7	13.6
Overseas Govt. Provincial and Municipal	21.5	0.4	1,606	0.3	0.9
Fixed Interest Stocks Pref. and Pref. Ord. Shares	122.7	1.9	35,997	7.6	5.8
Ordinary Shares	1,389.9	26.5	368,435	77.4	69.0
TOTAL	6,740.1	100	475,733	100	232.0
Average of all securities					

ENTERTAINMENT GUIDE

Category	THEATRES	THEATRES	THEATRES
OPERA & BALLET	COLISEUM, 01-336 3181. ENGLISH NATIONAL OPERA. Tonight, 8.00. The Merry Wives of Windsor. Tomorrow, 7.30. La Traviata.	COVENT GARDEN, 340-7096. THE ROYAL OPERA. Tonight, 8.00. The Merry Wives of Windsor. Tomorrow, 7.30. La Traviata.	ROYAL COURT, 730 1743. Last week. MICHAEL CRONIN. Tonight, 8.00. The Merry Wives of Windsor. Tomorrow, 7.30. La Traviata.
THEATRES	ADRIAN PHOENIX, 01-336 3181. ENGLISH NATIONAL OPERA. Tonight, 8.00. The Merry Wives of Windsor. Tomorrow, 7.30. La Traviata.	ADRIAN PHOENIX, 01-336 3181. ENGLISH NATIONAL OPERA. Tonight, 8.00. The Merry Wives of Windsor. Tomorrow, 7.30. La Traviata.	ADRIAN PHOENIX, 01-336 3181. ENGLISH NATIONAL OPERA. Tonight, 8.00. The Merry Wives of Windsor. Tomorrow, 7.30. La Traviata.
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FT CLIPPER RACE

Gales end frustrations of two leaders

BY ALEC BEILBY

GALE FORCE winds, which accompanied an intense local area of low pressure, ended the frustrations of the two leaders of the Financial Times Clipper Race as they approached the Bass Strait, between Tasmania and the Australian mainland, on Monday.

The wind, predominantly North-East, forced the crew of Great Britain II to tack into the Strait, where they met the Australian East Coast current, which is reported to be running southwards at 2 knots.

Great Britain is now about 700 miles from the Sydney finishing line and must complete the final miles by 8.50 pm local time next Saturday if she is to beat the record set by the clipper Parthian from London to Sydney in 1969-70 of 69 days and one and a half hours.

which lies in the western approach to the Strait. Great Britain II reported at the same time that she was 45 miles to the East of the southern tip of the island.

Local opinion is that Kritter has taken the better course and could make up some of the 60 miles separating her from Great Britain II as the yachts sail through the Strait and meet the Australian East Coast current, which is reported to be running southwards at 2 knots.

Although the race is being sailed primarily without regard to the International Offshore Rule handicapping system, the Royal Ocean Racing Club, who are technically supervising the race, are presenting a prize for the fastest winner.

Calculations show that Kritter, which claims nine seconds a mile from Great Britain II, has a 35-hour advantage over the British yacht less the time by which Great Britain beats her to Sydney.

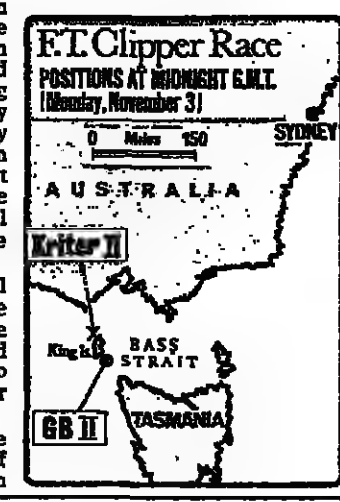
It seems certain that she is also well ahead of the smaller back markers in the race, the Italian CS e RB II and the Dutch yacht Great Escape.

While excitement mounts in Sydney, the crew that will race Great Britain home left London last night for Australia. Selected from the Joint Services Sailing Association, they are headed by Chief Petty Officer Roy Mullender, RN, who sailed from Sydney to Portsmouth in the last leg of the race.

Bill King-Harman, a Royal Artillery officer, will also be rounding Cape Horn for the second time having crewed Second Life on the Sydney to Rio de Janeiro leg in the earlier race.

One of the problems facing the new crew will be replacement of damaged and destroyed sails on

the yacht, most of which were used last time the yacht sailed round the world.



Johannesburg Consolidated Investment Company, Limited

(Incorporated in the Republic of South Africa)

Chairman's Review by Sir Albert Robinson

The Annual General Meeting of the Company will be held in Johannesburg on Tuesday, 11th November, 1975, at 12 noon

The reports and accounts for the year ended 30th June, 1975 have been in the hands of members for some time. From these it will be seen that Johannesburg Consolidated Investment Company, Limited, despite a number of setbacks, has in the main to be commended for its performance. The development of our new mining and metallurgical projects has proceeded satisfactorily. The Ojibwa copper mine and the Shangani nickel mine are virtually on schedule and this reflects great credit on all those responsible for their planning and management.

Despite these problems we see our future continuing to be linked in the main with mineral extraction and beneficiation. We have developed a valuable expertise over the past 50 years and this will continue to be employed in finding new opportunities for the further expansion of our business.

THE ECONOMIC OUTLOOK

I referred in my review last year to the then deteriorating economic conditions in the western world and Japan and to the fact that these conditions had as yet not made their full impact upon South Africa. Since then, the rate of inflation in South Africa has seriously increased and international commodity prices have fallen substantially, thus putting pressure on our balance of payments, and more recently because of the sudden weakness of gold, forcing a second and larger devaluation of the rand.

FINANCIAL RESULTS

The investment income from the group increased by 8% from R24.4m. to R26.1m. and trading profits increased from R7.2m. to R15.4m. Profits after tax attributable to shareholders increased from R22.0m. to R28.0m., while dividends declared increased from 138c per share to 168c per share. The trading profits included the operations of Tavistock Collieries Limited for the first time as well as those of Steelbrite and Landings for a first year. Members will recall that some time ago Phoenix Colliery became a wholly-owned subsidiary of the Tavistock Group, and thus we acquired a considerable stake in Tavistock. Since then Johannesburg has steadily acquired more shares with the result that Tavistock became a subsidiary on 21st May, 1975.

The growth in group dividends was less than anticipated, due mainly to the downturn in the economies of the western world. In fact we received reduced dividends from many of our mining interests, the exception being the income from gold. This showed a very healthy improvement from R4.8m. to R8.5m., although it should be remembered that the Randfontein Estates Gold Mining Company, Witwatersrand Limited, in which we have a substantial investment, has yet to resume dividend payments. Investments in gold mining companies at 30th June, 1975 accounted for 37% of the market value of our total portfolio.

I referred last year to the continuing trend of contracting our resources into operations in which Johannesburg plays a management role and that consequently the profits earned in changing these investments should not be regarded as a regular source of income. We have earned shareholding profits again for this reason, but I must repeat my previous warning that they cannot be regarded as being necessarily recurrent.

LOANS

Investments made by the Group during the year again exceeded the normal cash flow, and in common with all mining companies we are experiencing serious difficulties in raising funds. To assist in meeting our commitments, and to repay some of our shorter term loans which are due for redemption, we raised a further R33m. Eurodollar loan in October. Your Board does not consider the present borrowings to be excessive in relation to the assets of the company. Furthermore, there are potentially substantial rewards to be earned from the new businesses that is being financed in part by these funds.

EXPLORATION

Johannesburg considers that its principal area of activity lies in searching for and bringing new mining and beneficiation ventures to production. Some years ago we stepped up expenditure on exploration and research into mineral processing. As a direct result we have two new mines currently being commissioned, a ferrochrome facility in the initial stages of development and several additional prospects under investigation. In the next year or two our expenditure on exploration may decrease somewhat in order to conserve our resources, but our philosophy remains unchanged. We believe that the prosperity of a country lies in the successful development of its natural resources. In the past mineral deposits tended to be looked upon as the feed stock for highly skilled craftsmen of the developed nations to fashion into consumer goods or the whole world. Mechanisation in production lines which require less skilled labour and the improving skills of local labour together with the problems of power and the environment are shifting the emphasis to the areas in which the raw materials are found. South Africa has shown how a mineral based economy can expand dramatically if it is expertly managed and private enterprise is permitted to play the dominant role in its development.

There are however a number of problems that confront us. Firstly the capital costs of developing newly discovered mineral resources are escalating at an alarming rate due to the current severity of inflationary pressures. Secondly it is often necessary to establish a major facility to ensure viability through economies of scale, thus increasing the demand for capital. Furthermore, it must be remembered that, in the next year or two our expenditure on exploration may decrease somewhat in order to conserve our resources, but our philosophy remains unchanged. We believe that the prosperity of a country lies in the successful development of its natural resources. In the past mineral deposits tended to be looked upon as the feed stock for highly skilled craftsmen of the developed nations to fashion into consumer goods or the whole world. Mechanisation in production lines which require less skilled labour and the improving skills of local labour together with the problems of power and the environment are shifting the emphasis to the areas in which the raw materials are found. South Africa has shown how a mineral based economy can expand dramatically if it is expertly managed and private enterprise is permitted to play the dominant role in its development.

THE MINING INDUSTRY

The mining industry is undergoing a process of change from labour intensity to capital intensity. It was right and proper a decade or two ago to give employment, however humble, to a large part of the available unskilled black labour force in Southern Africa. The industry was often criticised for the low wages paid to these employees, but these conditions arose from the lack of employment opportunities elsewhere and above all from the fixed price of gold. With the material rise in the price of gold the mining conditions of employment for the black labour force were rapidly and significantly improved. In so doing the need was recognised to be competitive with the rest of industry. Whilst increasing the wages for black labour the mines have also established improved training and educational facilities and a proper hierarchy of jobs in order to provide greater incentives. The shortage of labour early in 1975 assisted in generating improved productivity as ex-

pressed in tons milled per person employed. However, I am concerned that certain adverse circumstances could place a brake upon the outstanding progress achieved since 1973. These are the continuing rapid escalation of operating costs, the even greater escalation of capital costs and the current uncertainty surrounding the price of gold. The industry's objectives of achieving a steady and significant improvement in wages and other conditions of employment for all its workers may well be jeopardised if the price of gold does not increase steadily during the next two years.

As increased productivity will contribute notably towards counteracting rising costs, our Group mines and our industries are attempting to make better use of their labour. So far the application of industrial engineering techniques such as method study, work measurement, incentive schemes, planned maintenance and operational research, have proved to be most successful. However, these techniques in isolation are not a panacea for productivity improvement if not supported by training, mechanisation and applied research. Accordingly our mines have embarked on method improvement programmes on a wide scale and these include experiments with varying types of modern equipment.

There is no doubt that it is within our capability to contain many of the costs and to improve the efficiency of production. But of course, for lower grade mines, in particular, the gold price will ultimately decide their future viability. It is to be hoped that, with the settlement in principle of the day's disputes, a major advance in productivity can be achieved. In this age of détente, which is aimed at bringing about a relaxation of racial tensions, South Africa's premier industry, the mining industry, must provide enlightened leadership. This goes for employers as well as the white employees. Johannesburg once again declares itself ready to support any day of détente, where preliminary earth works are in progress. Exhaustive tests have shown that the pelleting process initiated in the group's Minerals Processing Research Laboratory will perform satisfactorily and more cheaply using South African powdered fuel, than the all fired process which is presently in use in Japan. However the Japanese technology will be of immense importance to the project and suitable arrangements have been made with Showa Denko K.K. to utilise the experience they have gained in commercial production at their plants in Japan. The capital cost of the undertaking, which is designed to produce 120,000 tons of ferrochrome per annum is estimated at R42.7m. The plant has been designed with a high degree of mechanised operation in mind. Initial production is expected early in 1977 and negotiations for the sale of a major proportion of the output have been concluded.

Consolidated Metallurgical Industries is expected to require R50m. to reach the stage where the operation will be self financing. Of this amount R25m. will be in the form of shareholders' funds in which Johannesburg's initial participation will be 53% and the remainder is being obtained in long and medium term loans, export credit facilities and short term borrowings.

OUTLOOK FOR THE COMING YEAR

If the current lower price of gold continues we cannot expect to maintain last year's level of dividend income. Indeed we cannot expect a major improvement in investment income until the current worldwide recession gives way to increased business activity and a renewal of confidence. However, I have no doubt about our potential for continuing growth and also for maintaining a dividend pattern that will give satisfaction to our shareholders.

Copies of this Review and the Report and Accounts can be obtained from the London Secretaries, 27 Austin Friars, London EC2N 2EY

Mild rally on internal factors: up 4 \$ improves

BY OUR WALL STREET CORRESPONDENT

A MILD rally developed on Wall Street today, although much institutional business was absent because of the Election Day Holiday, with Banks closed.

The Dow Jones Industrial Average recovered 4.41 to 830.13 and the NYSE All Common Index regained 22 cents to 846.78, while most other indices were flat. Trading remained quiet at 11,577,000 shares, although up 170,000 shares on the day.

Analysts could not find any special reason for the better tone. Some said the market merely tired of going down and firmed on its own internal factors.

Some buying was encouraged by Congressional action towards a Bill to soften the general economic effects of the expected New York City debt default and financial collapse.

Motors firmed after the industry reported higher October sales.

IBM gained \$2 1/2 to \$121 1/2 to \$141 1/2 on higher earnings. Bristol-Myers put on \$1 1/2 to \$67 1/2. Philip Morris \$1 1/2 to \$50 1/2, UAL \$1 1/2 to \$34 1/2, Chemical New York \$1 1/2 to \$27 1/2.

Freeport Minerals rose \$1 1/2 to \$22 1/2, although it said it is "pre-mature" to characterise a recent silver discovery in Creede, Colo., as "major".

But JCA dropped \$1 1/2 to \$9 1/2, while PET dipped \$1 1/2 to \$9 1/2 on lower profits.

General American Oil of Texas gained \$2 1/2 to \$40 1/2. Electronic Data Systems fell another \$1 1/2 to \$12 1/2 on little change in September quarter net.

Mapco slipped \$1 1/2 to \$33 1/2. The Federal Trade Commission is investigating the proposed merger with Faleon Seaboard, off \$2 1/2 to \$29 1/2.

Leeway Transportation advanced \$1 1/2 to \$29 1/2 on higher third quarter net.

The American SE Market Value Index shed 0.06 to 82.59, with declines outnumbering advances by 294 to 240.

OTHER MARKETS

Canada firm

Canadian Stock Markets were generally firm in moderate trading yesterday.

The Industrial Share Index rose 0.38 to 168.22. Base Metals 0.15 to 71.58, Western Oils 0.59 to 101.51.

and Banks 1.03 to 352.40. But Gold eased 0.46 to 275.72 and Papers shed 0.21 to 85.84.

Southern Press "A" put on \$2 1/2 to \$22 1/2 on fairly low volume, while Toronto Dominion Bank gained \$1 1/2 to \$40 1/2.

Vulcan Industrial Packaging was up \$1 1/2 to \$13 1/2 and Canadian Corporate Management "A" slipped \$1 1/2 to \$19 1/2.

PARIS—Mixed to higher in moderate trading. There was still apprehension over Public Sector strikes scheduled this week.

Constructions and Stores were slightly better. Oils were steady, while Engineering, Metals and Chemicals were easier.

Americans were irregular. Germans improved, Dutch issues were mixed, while Belgians were mostly resistant.

BRUSSELS—Narrowly mixed in continued quiet trading. Stocks were mostly lower.

Cokebriest lost \$1 1/2 to \$9 1/2 and Clabco \$1 1/2 to \$40 1/2. Metals eased but Electricals and Utilities registered modest gains.

Among steady to higher Chemicals, UCB rose \$1 1/2 to \$28 1/2. Petrobras was up \$1 1/2 to \$40 1/2 among mixed Oils. Holdings also were mixed while Stores were lower.

U.S. shares finished irregular. South African shares firmed.

AMSTERDAM—Most sectors lower. But Dutch international

were firm. Alcoa was up \$1 1/2 to \$11 1/2 and Phillips \$1 1/2 to \$12 1/2.

Brokers reported a lively German interest in Alcoa shares. Royal Dutch on \$1.05 to \$10.50 to \$10.50.

Unilever \$1 1/2 to \$10 1/2. Bankings, Insurance and Shipments were generally lower in slow trading, as were local Industrials.

Bonds were down \$1 1/2 to \$12 1/2.

GERMANY—Below the best in active trading. Banks were mixed. Deutsche Bank shed \$1 1/2 to \$12 1/2 and Dresdner also \$1 1/2 to \$12 1/2.

Chemicals were mixed. BASF gained \$1 1/2 to \$12 1/2 and Hoechst \$1 1/2 to \$12 1/2.

Switzerland—Markets continued generally irregular.

Nestle Bank rose \$1 1/2 to \$12 1/2 and Swissair \$1 1/2 to \$12 1/2.

Deutsche Bank shed \$1 1/2 to \$12 1/2 and Swissair \$1 1/2 to \$12 1/2.

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GOLD MARKET

	Nov. 4 1975	Nov. 5 1975
Gold Bullion	\$1424.10	\$1424.10
Gold Bars	\$1424.10	\$1424.10
Gold Coins	\$1424.10	\$1424.10
Gold Jewellery	\$1424.10	\$1424.10
Gold Bullion	\$1424.10	\$1424.10
Gold Bars	\$1424.10	\$1424.10
Gold Coins	\$1424.10	\$1424.10
Gold Jewellery	\$1424.10	\$1424.10

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EEC move worries Ministers

GOVERNMENT Ministers fear a new EEC directive will mean a steady loss of Britain's agricultural land.

They say that the directive, designed to encourage conversion to forestry, will encourage land owners to stop farming.

They also dislike the "discrimination" under which EEC grants would go to private woodland owners but not to the state-owned Forestry Commission.

Dr. Gavin Strang, Junior Agriculture Minister, told MPs in a Commons debate yesterday that the scheme would mean "a one-way traffic of land" from agriculture into forestry and could affect up to 50,000 acres a year.

Although high-level discussions are still going on in Brussels, he said the directive was "not in our national interest." Farming and forestry policy in the U.K. should be continued to be allowed to develop on a national basis," he said.

Dr. Strang said that the Royal Domes of Cornwall and Lancaster were regarded as part of the private sector and would be eligible for EEC grants under the directive.

Other EEC countries which have large areas of marginal agricultural land would be likely to benefit from the grants far more than Britain. But Britain has the backing of Denmark in the issue, which is likely to be raised at the next Common Market Agriculture Ministers' council meeting this month.

S. Africa raises wool production

PRETORIA, Nov. 4. SOUTH AFRICAN wool production for the 1976 season, including wool on skins, is estimated at 116.2m. kilos compared with 116.6m. kilos in the 1974-75 season. The figure includes the output of neighbouring territories.

The Board said it expects production of shorn wool to increase to 104.7m. kilos from 103.9m. in the 1974-75 season. Sales so far this season have totalled R26.2m. (R108.3m. in the 1974-75 season) on disposals of 20.6m. kilos (103.9m.).

The average price for greasy wool so far this season stands at 126.41 cents a kilo (about 100 cents), which is 32.75 per cent above the advance payment to farmers.

Reuter

Surprise milk output rise eases shortage fears

By JOHN EDWARDS, COMMODITIES EDITOR.

AN "ASTONISHING" recovery in milk production during October appears to have removed any likelihood of a shortage of supplies during the Christmas peak demand period, and has even allowed in a small way the resumption of U.K. domestic butter production—discontinued in July because of a shortfall in milk available for manufacture, it was confirmed yesterday.

Exceptionally favourable weather—described in the South West as the finest autumn for dairying in living memory—is the prime cause for the reversal in October of the steady downward trend in milk production for the past two years.

The autumn has also been helped, however, by the apparent willingness of dairy farmers to spend more on concentrates for feeding cattle, encouraged by the higher returns granted to milk producers during the last three months.

Compound manufacturers report that there has been an increase in demand for concentrate feeds, and as a result it is hoped the cows will be in a better condition than last year.

Mr. Michael Bessey, marketing director of the Milk Marketing Board, visiting North Staffordshire yesterday, said estimates showed that there had been a considerable increase in milk production since the end of September, when output was running at a rate of 3.3 per cent down on the previous year.

During the week ending October 4, production had been only 1.8 per cent down on 1974 and in the following week the production was made in that output exceeded the previous year's level.

The improvement had been sustained in the following two weeks, and spot checks for the week ending November 1 suggested that output was 8.64

per cent higher than in the same week last year and even above the high 1973 levels.

Mr. Bessey is now confident that even the peak milk needs over the Christmas holiday period should be easily met. While the increased output has brought the unexpected re-opening of some butter creamery plants in parts of the country, particularly Wales and the West Country.

So far the amount of milk diverted to butter—the least profitable dairy product from the farmers' point of view—is very small at some 300,000 gallons compared with a monthly rate of 50m. gallons in May and June this year, when U.K. butter production was discontinued because of a shortfall in available milk supplies.

The weather in the months ahead will obviously play an important part in deciding if the improved output rate can be sustained. But the favourable conditions so far, enabling cattle to continue grazing outside for much longer than expected, has helped considerably already.

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Duty lifted on Soviet magnesium

THE ANTI-DUMPING duty of 552 a tonne on imports of unwrought magnesium from the Soviet Union into Britain has been suspended for 12 months, the Department of Trade announced yesterday.

The duty was originally imposed on April 1972 when it was claimed that Soviet Union supplies of magnesium were being dumped in Britain. The duty was calculated at £235 a tonne, and the 552 duty imposed to bring the Russian offering price up to that level.

In the past few years the duty has become largely academic, since magnesium prices have soared in the meantime. The official producer price is over \$900 a tonne, and the free market is considered to be depressed at an estimated range of \$720 to \$750.

However, metal merchants have found reclaiming the duty to be a lengthy process and petitioned the Department of Trade to scrap it. The suspension of the duty is, therefore, a compromise.

Magnesium is used mainly in the manufacture of alloys, with aluminium, for use in castings and for ring-pull beer cans.

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MEAT SUPPLIES

Danes losing faith in the bacon pig

By HILARY BARNES, COPENHAGEN CORRESPONDENT

THE DANISH Bacon Factories Association has begun an experiment involving the slaughter of 1,500 pigs a week which are 20 kilos over the weight of the normal bacon pig. The experiment is born of the difficulties facing Danish bacon producers in the British market.

The heavier pigs are destined for the Continental market, and the experiment is a response to the fact that the Danish pigmeat industry is enjoying a much improved return on their animals this year compared with 1974, when most of them were losing money.

The relationship between the price of maize, on which the pigs are fed, and the price of pigmeat has moved strongly in favour of the producers. But it is characteristic of the situation in Denmark to-day that the price does not appear to be leading to a significant increase in the size of the pig herd. Pigs are no longer the expansive sector of Danish agriculture, as they were in the 1960s.

There are a dozen good reasons for this, but the most crucial are the market prospects for bacon in the U.K. and the prospects for the sale of canned hams and other processed cuts in the U.S. These two markets are vital to the Danish pigmeat industry, and pigs are a vital part of Danish agriculture.

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to go on falling for some time to come. These two factors together have led to a 30 per cent fall in the consumption of bacon in the U.K. over the past two years.

The canners have also felt the effect of falling purchasing power in the U.K., but events in the American market are of greater importance to them. Last year the canning sector took an appalling beating in the U.S. Demand for canned hams, the mainstay of the export to the U.S., fell off sharply, the dollar price was reduced and at the same time the dollar was devalued.

The EEC's export restitution payments were also reduced substantially. Meanwhile, costs in the Danish industry soared, with wage rates at 10.5, the important producer cooperative in Jutland rising by no less than 75 per cent over the two years 1973-74.

As a result of this combination of indications, all the canners were in the red last year, including both Tulp and Plumrose, the two major companies in the canning sector. The labour force was cut back by 20-25 per cent. Exports in the first half of this year, measured both in value and quantity, were down by 30 per cent compared with the same period last year.

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for the Danish products in either the U.K. or the U.S. New price increases of the order of 15-20 per cent are understood to be on the way in coming months as well.

The shortage of pigs reflects a fundamental change in the attitudes of the farmers since Denmark became a member of the EEC. The farmers are voting with their investment, which to-day is weighted heavily in favour of the beef and dairy sector.

Optimism

The reason is only partly the farmer's realisation of the uncertain prospects in the U.S. and British markets for both bacon and other products. The crucial point is that the farmers understand that the EEC's price intervention system, which provides them with a safety net, works much better in the beef-dairy sector than it does in the pig and poultry, or corn-based, sectors. There is therefore a massive optimism in the dairy sector, but only uncertainty in the pig sector, as director Erik Krogstrup, of the Agricultural Mortgage Institute, put it recently.

There are no real alternative markets to the U.S. for canned hams or the U.K. for bacon. Other markets outside the EEC are too unstable to provide the basis of a paying pig output. The industry is nevertheless assessing the potential on the Continent.

Not only is the Bacon Factories Association conducting its experiment with the heavier pig, which is cheaper to butcher than the bacon pig, but companies like Flumrose and Tulp are endeavouring to build up sales in the Continental markets, although they recognise that this is going to be a long, hard job against tough competition and requiring new products to meet the Continental taste.

Meanwhile, the bacon factories expect to be able to maintain, or even increase, their share of the British bacon market, even though it is a declining market, and there is no doubt that for a long time to come the Bacon Factories Export Association will continue to regard the U.K. as its all-important market.

This does not, please some Danish farmers, who think the Association has been too slow to consider the opportunities in the Continental market.

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Stricter Dutch Elm controls

By Our Commodities Staff.

FURTHER MEASURES aimed at restricting the spread of Dutch Elm disease have been approved by the Government. The measures, proposed by the Forestry Commission, are mainly in conjunction with the clearance of dead elm, control of movement of infected timber and extended powers to locate centres of infection in lightly infected areas.

Under the proposals, which the Government has approved in principle, movement of all elm timber into and within lightly infected areas would be prohibited unless the bark had been removed. The Commission also plans to survey timber yards and sawmills to which infectious timber may have been moved before the enforcement of the stricter movement controls.

The Commission says that Dutch Elm disease in Wales and Scotland appear to be localised and is optimistic that these outbreaks can be contained.

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Yearning

By Our Commodities Staff.

THE DANES began exporting bacon to Britain in the 1870s, developing the lean bacon, which is the most popular in the British taste. The investment paid off handsomely as long as there was an increasingly wealthy population with a strong yearning for bacon on the breakfast table.

To-day, as the Danish bacon producers see it, not only is the supply of lean bacon changing as fewer and fewer people find time for a morning fry-up, but the real purchasing power of the consumer is falling and is likely

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Stabilisation

By Our Commodities Staff.

Exports are now again giving a positive return, but last year's shocks have forced the canning industry to reassess its future in the U.S. market. The industry, which has reached its peak of about 75,000 tons a year in 1973, but should hope for a stabilisation of the market around the 45,000-ton mark, which will be achieved this year.

Elements of this cautious forecast include a reluctance once again to become so dependent on a single market, the expectation of increased competition from U.S. producers, and a probable short-fall in the supply of pigs from the Danish farmers.

Supply factors, as already indicated, are also playing a major role in the pigmeat industry's current shake-out. Not only are there too few pigs available to meet a big upsurge in demand, but the Danish cost level is so high that the industry does not consider it realistic to expect a big increase in demand

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U.S. Markets

By Our Commodities Staff.

THE NEW YORK COMMODITY Exchange, the Coffee and Sugar Exchange, the Cocoa Exchange and the New York Cotton Exchange were closed yesterday, Election Day.

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COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Mixed news from narrow limits on the London Metal Exchange. Prices were initially lower reflecting the overnight decline in the U.S. market, but rose on news of a stop-loss order on the part of the U.S. market.

The average price for greasy wool so far this season stands at 126.41 cents a kilo (about 100 cents), which is 32.75 per cent above the advance payment to farmers.

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LEAD

LEAD—Mixed news from narrow limits on the London Metal Exchange. Prices were initially lower reflecting the overnight decline in the U.S. market, but rose on news of a stop-loss order on the part of the U.S. market.

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Mr

STOCK EXCHANGE REPORT

Equity markets shake off recent bout of indecision

Share index up 8.4 at 358.9—Gilts quiet

Account Dealing Dates

Option
First Declared Last Account
Dealings Dealings Day
Oct. 20 Oct. 30 Oct. 31 Nov. 11
Nov. 3 Nov. 13 Nov. 14 Nov. 23
Nov. 17 Nov. 27 Nov. 28 Dec. 9

Now time "dealings may take place from 9.30 a.m. to 2.30 p.m. on business days."

Equity markets put on a good performance yesterday. Over-extended shares appeared to be in a recovery phase, and the market closed with a rise of 8.4 at 358.9, only 8.4 below its June 3 peak for the year of 363.3.

In contrast, gilt-edged stocks were looking a little ragged after the recent recovery movement. Long-dated stocks rose up to 1, while the shorts tended mixed. The Government Securities Index eased 0.09 to 38.28.

Second-line equities encountered a fairly selective demand. Bid development created some interest, while speculative demand was more noticeable than of late.

The day's improvement was reflected in a majority of rises over falls by 5-3 in FT-quoted Industrials and a rise of 1.6 per cent. to 132.21 in the FT-Actuaries All-Share Index. There was a small increase in the level of activity as measured by official markings of 8.812 compared with 6.532 on Monday.

Gilts close mixed

Gilt-edged became a little unsettled at the longer end following fresh publicity about Government spending; the warning later of credit restraint being needed and news that the U.S. Federal

Reserve was to widen its money supply targets had very little impact. Long-dated issues were at one stage a little lower but the losses were finally reduced to 1, while the shorts, after showing a firm trend for most of the day, edged back to close mixed.

In continuing the trading conditions, the investment currency premium advanced to 107 per cent. again, but towards the close received small selling brought the rate back to 105.1 per cent., where it showed a net loss of 1. Yesterday's 52 conversion factor was 0.6584 (0.6581).

Banks quietly firm

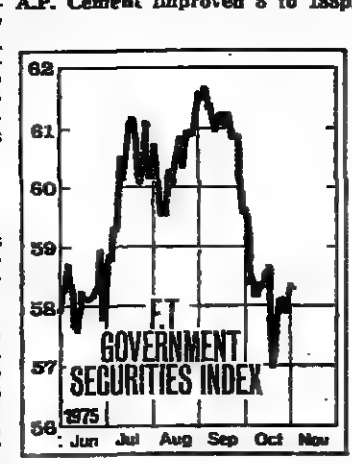
Slater Walker Securities improved 2 to 28, for a two-day rally of 51. Labak Investments also improved, closing 14 better at 16p. A small demand was all that was required to take the bank shares higher, 10.31 landed best with a rise of 10 to 235p, while Barclays added 6 to 306p and Lloyds and National Westminster improved 4 to 243p and 242p respectively. Bank of Scotland put on 7 to 273p. Discounts did well, with Cater Ryder 9 to the good at 242p in front of the day's interim results. Gerard and National Bank added 7 to 280p. Merchant Banks closed firmer for choice, with Keyser Ullmann, 46p, and Mercers Securities, 129p, both active. The commission of the interim dividend and sharply lower first-half profits failed to depress FC Finance, which held at 27p.

Insurance contributed to

general firm trend. Sun Alliance led the advance, rising 10 to 435p, while Eagle Star added 7 to 135p. Distillers stood out with a jump of 8 to 134p, while speculative buying in a thin market left

Tormath 6 higher at 64p. Among supply brewers, Bass Charrington put on 4 to 102p. Arthur Guinness hardened 3 to 151p and Scottish and Newcastle improved 3 to 36p. In front of to-day's interim results, Whitbread "A" edged forward a penny to 71p, after 72p.

Apart from Tunnel "E", which closed 3 cheaper at 162p, after 137p, on the closure of the company's West Thurrock works, Buildings scored some good rises. A.P. Cement improved 8 to 188p.



FT-Actuaries All-Share Index

while Marley, B&P, and R. Costain, 226p, put on 4 and 6 respectively. Timbers had Magnet Joinery 9 better at 200p and James Latham 10 to the good at 155p. Elsewhere, Allied Plant were quoted ex scrip at 13p.

Standing at 297p at the

"House" close, ICI rose late to close 6 better on balance at 300p. Lancro gained 6 at 106p.

Stores better

Small buying in a thin market left Television Contractors widely better. ACTV closed 4 up at 23p, and Anglia "A" finished 65p at 97p.

Stores closed firmly following a good business. "Gusset" "A" improved 5 to 221p, while Marks and Spencer, 102p, and UDS, 88p, put on 3 and 4 respectively. British Home Stores were supported up to 881p, a rise of 5. Debenhams were quoted ex the "rights" issue at 21p, while the new 10p shares opened at 24p and closed at 28p premium following a reasonable two-way business. Maple Macwards, at 121, rose 3 to 124p, the previous day's fall of 11 which followed the announcement that the Preference dividend would not be paid. Other firm spots included Rigmor, 4 up at 35p, and Cope Sportswear, 5 higher at 21p.

Electricals closed at the day's best. GEC recorded a rise of 7 at 130p, while EMI followed the previous day's Press-inspired gain of 4 with a fresh improvement to 92p. Also about 10p higher were BICC, 120p, and Reynolds Parsons, 60p, while Thorn Electrical put on 5 to 210p and Plessey 2 to 72p. Revised Continental's demand left Philips Lamp 20 firmer at 780p ahead of next Thursday week's third-quarter statement. Elsewhere, Electrocomponents, benefiting from the half-year profit improvements, appreciated 4 to a 1975 high of 118p. Telephone Rentals, a recent dull market on the interim results, picked up 5 to 22p, while Allied Plant were quoted ex scrip at 13p.

Leading Engineers were as much as 10 higher including Tube Investments, at 210p, while 81p Newco eased 1 down to 10p. A small, steady, small interest in Avery, 3, dealer at 108p, Newman Tanks, 3, dealer at 108p, and Raine, 1, dealer at 20p, but lower. Bangers, 1, dealer at 20p, and Anglia "A", finished 65p at 97p.

Elsewhere, Acrow "A" improved

4 to 106p. Braid Quinlan added 2 to 54p awaiting to-day's preliminary results.

Foods made a brighter showing. John Sainsbury moved up 4 to 161p, while similar rises were recorded by Tate and Lyle, 236p, and Cavenham, 135p. Millers attracted considerable interest, Spillers closing 11 firmer at 471p and B&B 21 better at 481p. J.B. Eastwood, still reflecting Press comment, improved 4 more to 60p, while small buying in a thin market left Bernard Matthews 3 firmer at 70p. William Low contrasted with a fresh fall of 3 to 121p on further consideration of the results. FMC were also notably dull at 59p, down 5 from 64p, after the NFU taking Board control without making a full offer.

Ladbroke hardened 3 to 90p

following news of the formation of the company's homes division.

A. Gallenkamp advance

Buying in a market none-too-well supplied with stock left rises extending to 8 in the miscellaneous Industrials. Unilever improved 10p by that amount to 404p awaiting third-quarter results, due November 12, while Boots, with interim figures also showing a firmer disposition, C.H. Beazer improved 5 to 128p, helped by Press comment on the preliminary results, while the chairman's encouraging statement with the full report lifted Barnat Developments 3 to 107p.

Oils to the fore

Interest in Oils was stimulated by the national Press coverage of British Petroleum's Forties Field inauguration and of its future prospects. Consequently, BP rose steadily to close 10 higher at 575p, while Shell gained 8 to 350p after 322p, and Ultramar 8 to 368p. Berry Wiggin continued in good form, rising 3 further to 66p and Premier hardened 1 more to 12p, both being influenced still by newspaper comment.

Overseas Traders recorded

improvements. Peterson Zochonis moved up 2 to 26p, but Silverthorne reflected the gloomy results with a loss of 14 at 51p.

Despite growing concern over the future of Chrysler's U.K. interests, Motors and Distributors made recovery. DaimlerChrysler hardened 2 to a 1975 peak of 64p, while similar gains were seen in Lucas Industries, 146p, and Clayton Dewandre, 72p. Against the trend, the Grand Rapids 2 to 29p, in front of to-day's interim report. In Garages, Lex Service 2 to 32p on news that the Export

and BSG International both closed 4 firmer at 171p and 131p respectively, the latter helped by "call" option business.

A more general firmness in Paper/Printings saw Macmillan rise 4 further to 210p, still on Press comment, and John Waddington rise 5 to 121p, a high for the year.

More than 100 shares rose, 236 fell, following the poor first-half results. Elsewhere, Delan Pack, again improved 3 to 42p, Lowe and Brydone 4 to 46p and Compagnie Generale des Eaux 3 to 23p, also had their supporters and Beaverbrook "A" rose 2 to 421p, while Thomson picked up 3 to 194p, the latter on its North Sea interests.

Property leaders picked up on "bear closing." Land Securities rose 4 to 166p and Town and City Properties a penny at 154p, while improvements of 2 occurred in Amalgamated Investment and Property, 201p, and English Property, 41p. However, news that the Sydney Stock Exchange had won its legal action over a property leasing dispute with an Australian subsidiary of MIBP brought the latter down to a fresh low for the year of 54p before rallying to end a net penny cheaper at 59p. Secondary issues also showed a firmer disposition. C.H. Beazer improved 5 to 128p, helped by Press comment on the preliminary results, while the chairman's encouraging statement with the full report lifted Barnat Developments 3 to 107p.

Credits Guarantee Department

has guaranteed loans amounting to £13m to help them finance the purchase of five cargo ships being built by Austin and Pickers, and their Sunderland subsidiary.

News that the company is engaged in merger discussions with Greenwood and Batley did little for York Trust, which closed unchanged at 10p in irregular trading.

Quietly firm Textiles had Courtlands 3 better at 144p, while David Dixon hardened 2 to 32p on the chairman's annual statement. To 86p and "Sola-Viscos" added 124 to 177p. Bats led Tobaccos higher, closing 5 up at 323p.

Reflecting Far-eastern advice,

Rubbers closed firmer for choice. In a restricted market, Malakoff rose 10 to 32p, while Knaul Lamour-Kepone improved a penny to 351p. With the exception of British India, which rose 8 to a 1975 high of 90p, Teas gave ground. Still awaiting the outcome of the reorganisation discussions, Cessnock lost 10 to 190p, while falls of 5 were recorded in Consolidated Tea and Lands, 355p, McLeod Russell, 135p, Teith, 320p, and West Nile, 230p. Finlay were unchanged at 130p.

Coppers were quiet, with

Messina gaining 4 at 283p and Minore 2 better at 182p. In generally higher Tin, Gopeng rose 7 at 185p, despite the company's estimates of lower pre-tax profits for the year in September 30.

Elsewhere, Yukon Consolidated

advanced 11 to 67p on news of the offer from Rio Algom for 4 lower at 179p and 180p, and Loxen in which Yukon has a 2 per cent. stake. Rio Algom fell 4 at £22.

Peak for Pancontinental

Australian mining shares generally followed the undecided trend in Melbourne Sydney share markets—Melbourne being closed for Cup day. Despite a modest fall in the investment dollar premium, Pancontinental continued its upward spiral, adding a further 15 at an all-time high of

ACTIVE STOCKS

Denom.	No.	Closing	Change	1975	1975
Stock	marks	marks	on day	high	low
Shell Transport	25p	16	380	+ 3	295
ICI	25p	13	300	+ 6	302
"Bats"	25p	12	323	+ 3	338
GKN	25p	11	575	+ 10	588
Debenhams "New"	Nil/pd.	28p	—	27p	24p
Distillers	30p	10	124	+ 3	150
GEC	25p	10	136	+ 7	136
Rank Org. "A"	25p	10	137	+ 5	208
Rank Org. "B"	25p	9	125	+ 3	140
Berry Wiggin	25p	9	103	+ 3	122
Marks & Spencer	25p	9	103	+ 3	122
Barclays Bank	25p	8	306	+ 6	323
Bass Charrington	25p	8	102	+ 4	108
Burnham Oil	25p	8	33	—	100

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES Premier Oil, EMI, Slater Walker, English Property, Stephens Oil and Gas, Dunlop, Lorrain and Altrix NV. "Puts" were done in Swan Hunter, Premier Oil, ICI and English Property, while "Calls" were arranged in Swan Hunter, Dunlop, Chartered Bank Finance and National City, BSG International, Westminster Bank Warrants.

NEW HIGHS AND LOWS FOR 1975

The following securities (numbers in parentheses) among those quoted in the Official list, attained new highs and lows for 1975.

NEW HIGHS (83)	NEW LOWS (4)
Clive Discount	Penicillin
Whitbread	Penicillin
Allied Irish Banks	Penicillin
Bank of Cyprus	Penicillin
Bank of N.W.S.	Penicillin
Bank of Rhone S.A.	Penicillin
Barclays Bank	Penicillin
Barnat Developments	Penicillin
Brit. Bank of Mid. East	Penicillin
Brown Shipley	Penicillin
Cayzer, Bowater Co. Ltd.	Penicillin
Cedar Holdings	Penicillin
Charterhouse Japhet	Penicillin
C.E. Coules	Penicillin
Consolidated Credits	Penicillin
Continental Trade Bk.	Penicillin
Co-operative Bank	Penicillin
Copeys Bank	Penicillin
Credit Lyonnais	Penicillin
Duff Brothers	Penicillin
Duncan Lawrie	Penicillin
English Transocean	Penicillin
First London Secs.	Penicillin
Antony Gibbs	Penicillin
Goode Durrant Trust	Penicillin
Greyhound Guaranty	Penicillin
Grindlays Bank	Penicillin
Guinness Mahon	Penicillin
Hambros Bank	Penicillin
Hawthorn & Partners	Penicillin
Hill Samuel	Penicillin
C. Hoare & Co.	Penicillin
Industrial Bank of Scot.	Penicillin
Jacobs, Kroll	Penicillin
Keyser Ullmann	Penicillin
Knowles & Co. Ltd.	Penicillin
Lloyds Bank	Penicillin
London & European	Penicillin
London Mercantile	Penicillin
Midland Bank	Penicillin
Montagu Montagu	Penicillin
Morgan Grenfell	Penicillin
National Westminster	Penicillin
Northern Comm. Trust	Penicillin
Norwich General Trust	Penicillin
Pertman Guaranty	Penicillin
P. S. Refson & Co.	Penicillin
Rossminster Acceptances	Penicillin
Royal Trust of Canada	Penicillin
Schlesinger Limited	Penicillin
E. S. Schwab	Penicillin
Shenley Trust	Penicillin
Standard Chartered	Penicillin
Sterling Credit	Penicillin
Thames Guaranty	Penicillin
Trade Development Bk.	Penicillin
Twentieth Century Bk.	Penicillin
United Bank of Kuwait	Penicillin
Whiteaway Laidlaw	Penicillin
Williams & Glyn's	Penicillin
Yorkshire Bank	Penicillin

RISES AND FALLS YESTERDAY

British Funds	Up	Down	Same
Foreign Bonds	22	1	48
Financial and Prov.	149	7	1,872
Other	8	4	19
Revenues	4	2	35
Trusts	12	5	20
Total	212	23	1,922

MONEY MARKET

Interest rates lower

Bank of England Minimum Lending Rate 12 per cent. (since October 3, 1975). Short-term fixed period interest rates were lower generally in the London money market yesterday, with the three-month sterling certificate yield easing to 11-11 1/2 per cent. from 11-11 3/4 per cent., and the six-month declining to 11-11 1/2 per cent. from 11-11 3/4 per cent. Bank of England Treasury bills, on the other hand, were a net market take-up of Treasury bills, and Day-to-day credit was in good circulation in the note circulation, and settlement was made of gilt-edged sales.

Discount houses paid 104-11 1/2 per cent. for secured call loans in the early part and at the close funds were available at around 8 per cent. to 10 1/2 per cent.

In the inter-bank market overnight loans commanded 11-11 1/2 per cent. at the start and eased to 8-9 1/2 per cent. at the finish.

Rates in the table below are nominal in some cases.

Yr. 4 1975	Starting Certificate of deposits	Interbank	Local Authority deposits	Local Authority deposits	Finance House deposits	Company deposits	Discount market deposits	Treasury bills	Bank bills	Fixed trade bills
Overnight	—	—	—	—	—	—	—	—	—	—
2 days	—	—	—	—	—	—	—	—	—	—
7 days	—	—	—	—	—	—	—	—	—	—
14 days	—	—	—	—	—	—	—	—	—	—
28 days	—	—	—	—	—	—	—	—	—	—
1 month	—	—	—	—	—	—	—	—	—	—
3 months	—	—	—	—	—	—	—	—	—	—
6 months	—	—	—	—	—	—	—	—	—	—
9 months	—	—	—	—	—	—	—	—	—	—
12 months	—	—	—	—	—	—	—	—	—	—

Long-term local authority mortgage rate (monthly three years) 12-12 1/2 per cent.; four years 12-12 1/2 per cent.; five years 12-12 1/2 per cent.; six years 12-12 1/2 per cent.; seven years 12-12 1/2 per cent.; eight years 12-12 1/2 per cent.; nine years 12-12 1/2 per cent.; ten years 12-12 1/2 per cent.; eleven years 12-12 1/2 per cent.; twelve years 12-12 1/2 per cent.; thirteen years 12-12 1/2 per cent.; fourteen years 12-12 1/2 per cent.; fifteen years 12-12 1/2 per cent.; sixteen years 12-12 1/2 per cent.; seventeen years 12-12 1/2 per cent.; eighteen years 12-12 1/2 per cent.; nineteen years 12-12 1/2 per cent.; twenty years 12-12 1/2 per cent.

Finance House Rate (published by the Finance House Association) 12 1/2 per cent. from November 1, 1975. Clearing Bank Discount Rate for small sums at seven days' notice 7 per cent. Clearing Bank Rate for lending 11 per cent. Treasury Bill: Average tender rates of discount, 11.085 per cent.

A list of the constituents of the FT-Actuaries Share Index is available from the Publishers, the Financial Times, 1, The Strand, London, EC4A 3DF, price 10p. Post 12p.

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FINANCIAL TIMES STOCK INDICES

	Nov. 4	Nov. 3	Oct. 30	Oct. 29	Oct. 28	Oct. 27	Oct. 26	Oct. 25	Oct. 24	Oct. 23	Oct. 22	Oct. 21	Oct. 20	Oct. 19	Oct. 18	Oct. 17	Oct. 16	Oct. 15	Oct. 14	Oct. 13	Oct. 12	Oct. 11	Oct. 10	Oct. 9	Oct. 8	Oct. 7	Oct. 6	Oct. 5	Oct. 4	Oct. 3	Oct. 2	Oct. 1	Sept. 30	Sept. 29	Sept. 28	Sept. 27	Sept. 26	Sept. 25	Sept. 24	Sept. 23	Sept. 22	Sept. 21	Sept. 20	Sept. 19	Sept. 18	Sept. 17	Sept. 16	Sept. 15	Sept. 14	Sept. 13	Sept. 12	Sept. 11	Sept. 10	Sept. 9	Sept. 8	Sept. 7	Sept. 6	Sept. 5	Sept. 4	Sept. 3	Sept. 2	Sept. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	July 31	July 30	July 29	July 28	July 27	July 26	July 25	July 24	July 23	July 22	July 21	July 20	July 19	July 18	July 17	July 16	July 15	July 14	July 13	July 12	July 11	July 10	July 9	July 8	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30	June 29	June 28	June 27	June 26	June 25	June 24	June 23	June 22	June 21	June 20	June 19	June 18	June 17	June 16	June 15	June 14	June 13	June 12	June 11	June 10	June 9	June
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AUTHORISED UNIT TRUSTS

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<p>Abbey Unit Tr. Mgrs. Ltd. (a) Abbey Unit Tr. Mgrs. Ltd. (a) Abbey Unit Tr. Mgrs. Ltd. (a) Abbey Unit Tr. Mgrs. Ltd. (a) Abbey Unit Tr. Mgrs. Ltd. (a)</p>	<p>Bridge Talmor Unit Tr. Mgrs. (a) Bridge Talmor Unit Tr. Mgrs. (a) Bridge Talmor Unit Tr. Mgrs. (a) Bridge Talmor Unit Tr. Mgrs. (a) Bridge Talmor Unit Tr. Mgrs. (a)</p>	<p>G. & A. Unit Tr. Mgrs. Ltd. (a) G. & A. Unit Tr. Mgrs. Ltd. (a) G. & A. Unit Tr. Mgrs. Ltd. (a) G. & A. Unit Tr. Mgrs. Ltd. (a) G. & A. Unit Tr. Mgrs. Ltd. (a)</p>	<p>Lloyds Unit Tr. Mgrs. Ltd. (a) Lloyds Unit Tr. Mgrs. Ltd. (a) Lloyds Unit Tr. Mgrs. Ltd. (a) Lloyds Unit Tr. Mgrs. Ltd. (a) Lloyds Unit Tr. Mgrs. Ltd. (a)</p>	<p>Metropolitan Unit Tr. Mgrs. (a) Metropolitan Unit Tr. Mgrs. (a) Metropolitan Unit Tr. Mgrs. (a) Metropolitan Unit Tr. Mgrs. (a) Metropolitan Unit Tr. Mgrs. (a)</p>	<p>(Prud.) Unit Tr. Mgrs. (a) (Prud.) Unit Tr. Mgrs. (a) (Prud.) Unit Tr. Mgrs. (a) (Prud.) Unit Tr. Mgrs. (a) (Prud.) Unit Tr. Mgrs. (a)</p>	<p>Schlag Unit Tr. Mgrs. Ltd. (a) Schlag Unit Tr. Mgrs. Ltd. (a) Schlag Unit Tr. Mgrs. Ltd. (a) Schlag Unit Tr. Mgrs. Ltd. (a) Schlag Unit Tr. Mgrs. Ltd. (a)</p>	<p>Target Unit Tr. Mgrs. (Scotland) (a) Target Unit Tr. Mgrs. (Scotland) (a) Target Unit Tr. Mgrs. (Scotland) (a) Target Unit Tr. Mgrs. (Scotland) (a) Target Unit Tr. Mgrs. (Scotland) (a)</p>
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INSURANCE, PROPERTY, BONDS

<p>Abbey Life Assurance Co. Ltd. Abbey Life Assurance Co. Ltd. Abbey Life Assurance Co. Ltd. Abbey Life Assurance Co. Ltd. Abbey Life Assurance Co. Ltd.</p>	<p>The City of Westminster Assurance Co. Ltd. The City of Westminster Assurance Co. Ltd. The City of Westminster Assurance Co. Ltd. The City of Westminster Assurance Co. Ltd. The City of Westminster Assurance Co. Ltd.</p>	<p>Home Life Assurance Limited Home Life Assurance Limited Home Life Assurance Limited Home Life Assurance Limited Home Life Assurance Limited</p>	<p>Life & Equity Assurance Life & Equity Assurance Life & Equity Assurance Life & Equity Assurance Life & Equity Assurance</p>	<p>Norwich Union Insurance Group Norwich Union Insurance Group Norwich Union Insurance Group Norwich Union Insurance Group Norwich Union Insurance Group</p>	<p>Slater Walker Insurance Co. Ltd. Slater Walker Insurance Co. Ltd. Slater Walker Insurance Co. Ltd. Slater Walker Insurance Co. Ltd. Slater Walker Insurance Co. Ltd.</p>
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OFFSHORE AND OVERSEAS FUNDS

<p>Albany Management Co. Ltd. Albany Management Co. Ltd. Albany Management Co. Ltd. Albany Management Co. Ltd. Albany Management Co. Ltd.</p>	<p>Charterhouse Japhet Charterhouse Japhet Charterhouse Japhet Charterhouse Japhet Charterhouse Japhet</p>	<p>Free World Fund Ltd. Free World Fund Ltd. Free World Fund Ltd. Free World Fund Ltd. Free World Fund Ltd.</p>	<p>Kayserberg Unit Tr. Mgrs. Ltd. Kayserberg Unit Tr. Mgrs. Ltd. Kayserberg Unit Tr. Mgrs. Ltd. Kayserberg Unit Tr. Mgrs. Ltd. Kayserberg Unit Tr. Mgrs. Ltd.</p>	<p>Samuel Montagu Ltd. Samuel Montagu Ltd. Samuel Montagu Ltd. Samuel Montagu Ltd. Samuel Montagu Ltd.</p>	<p>Target Trust Mgrs. (Cayman) Ltd. Target Trust Mgrs. (Cayman) Ltd. Target Trust Mgrs. (Cayman) Ltd. Target Trust Mgrs. (Cayman) Ltd. Target Trust Mgrs. (Cayman) Ltd.</p>
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REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share price movements in regional markets is presented below with questions on the London, Irish, and other markets, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Region	Stock	Price
London	City of London	100.00
	City of London	100.00
	City of London	100.00
	City of London	100.00
Ireland	Irish Stock	100.00
	Irish Stock	100.00
	Irish Stock	100.00
	Irish Stock	100.00

Siddiqsons

Travelling and picnic tents made of light cotton canvas dyed vat brilliant colours. Water proof.

Groundsheets of P.V.C. sheeting Complete with light aluminium poles Doors fixed with zip fasteners Agents required throughout Europe

SIDDIQSONS INDUSTRIES LIMITED
709, Qamar House
M. A. Jinnah Road, Karachi, Pakistan
Cables: Kaprawala, Karachi
Telephone: 224124-224417

The cost of living gets higher.

The rescue of young uart Nixon of Liverpool in this year marked the 0,000th life saved since work began in 1824.

But times are hard and getting harder. Like everything else, the cost of saving lives is becoming prohibitive. Take new self-righting boats. You can't get much change from £100,000 these days and that's without the highest of maintenance.

With no State aid, we rely solely on our Branches and ulids, gifts, legacies, and our Shoreline membership. If you belonged to Shoreline (£150 a year is the minimum subscription) you would guarantee us help on a regular basis. That help is so important to us, especially in bad times like these.

100,000th life saved

To: The Director, RNLI, West Quay Road, Poole, Dorset BH12 5LJ.

Name _____

Address _____

I wish to help the RNLI in the following way:

I enclose subscription to the Shoreline as an Associate Member £150

Offshore Member £150

Member & Governor £100

I enclose my donation of _____

Please send me details of how I can help with a Legacy or Covenant.

RNLI

NOTES

Prices do not include 5 premium, where applicable, and are in pence unless otherwise stated. All prices are in pence unless otherwise stated. All prices are in pence unless otherwise stated.

HOTELS—Continued

ENGINEERING—Cont.

[illegible]

Permal (P)	133	+1	45.21
Permal (P)	45	0	45.21
Permal (P)	45	0	73.67
Permal (P)	47	0	73.67
Permal (P)	47	0	0.06
Permal (P)	222	0	0.06
Permal (P)	613	0	16.51
Permal (P)	1113	0	16.51
Permal (P)	38	0	12.45
Permal (P)	38	0	12.45
Permal (P)	126	+1	1.06
Permal (P)	200	0	1.06
Permal (P)	53	0	1.6
Permal (P)	53	0	1.6
Permal (P)	250	0	1.47
Permal (P)	250	0	1.47
Permal (P)	118	0	10.5
Permal (P)	390	0	10.5
Permal (P)	77	0	22.85
Permal (P)	474	0	22.85
Permal (P)	613	0	18.74
Permal (P)	82	0	18.74
Permal (P)	91	0	5.63
Permal (P)	126	0	5.63
Permal (P)	121	0	2.8
Permal (P)	708	+1	2.8
Permal (P)	121	+1	20.02
Permal (P)	528	0	1.6
Permal (P)	300	0	1.6
Permal (P)	300	0	0.72
Permal (P)	404	0	2.75
Permal (P)	276	+1	1.75
Permal (P)	24	0	2.4
Permal (P)	24	0	2.4
Permal (P)	24	0	2.4

Ed. Spring Up	14		1.11
Ed. Wire Group	40		4.9
Pickers Ed.	136	+2	1.35
Prod. Products	40		7.85
G. Ed.	40		1.35
Ed. Sp.	58	-1	4.44
Ed. Indent	84		5.69
Palmer's & W.J.	86		62.76
Falkner's Eury	86		+24.5
Ed. F. Wright	86	-1	3.77
Ed. F. Wright	86		11.85
Ed. F. Wright	86		13.97
Ed. F. Wright	86		1.05
Ed. F. Wright	86		64.3
Ed. F. Wright	86		1.8
Ed. F. Wright	86		10.91
Ed. F. Wright	86		1.29
Ed. F. Wright	86		2.28
Ed. F. Wright	86		15.65
Ed. F. Wright	86		15.65
Ed. F. Wright	86		0.53
Ed. F. Wright	86		0.35
Ed. F. Wright	86		21.55
Ed. F. Wright	86		0.37
Ed. F. Wright	86		2.67

[illegible][illegible]

01	13	Cherries (1 lb.)	71	50	24	10	10
02	13	Cherries (1 lb.)	71	50	24	10	10
03	13	Cherries (1 lb.)	71	50	24	10	10
04	13	Cherries (1 lb.)	71	50	24	10	10
05	13	Cherries (1 lb.)	71	50	24	10	10
06	13	Cherries (1 lb.)	71	50	24	10	10
07	13	Cherries (1 lb.)	71	50	24	10	10
08	13	Cherries (1 lb.)	71	50	24	10	10
09	13	Cherries (1 lb.)	71	50	24	10	10
10	13	Cherries (1 lb.)	71	50	24	10	10
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15	13	Cherries (1 lb.)	71	50	24	10	10
16	13	Cherries (1 lb.)	71	50	24	10	10
17	13	Cherries (1 lb.)	71	50	24	10	10
18	13	Cherries (1 lb.)	71	50	24	10	10
19	13	Cherries (1 lb.)	71	50	24	10	10
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22	13	Cherries (1 lb.)	71	50	24	10	10
23	13	Cherries (1 lb.)	71	50	24	10	10
24	13	Cherries (1 lb.)	71	50	24	10	10
25	13	Cherries (1 lb.)	71	50	24	10	10
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31	13	Cherries (1 lb.)	71	50	24	10	10
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33	13	Cherries (1 lb.)	71	50	24	10	10
34	13	Cherries (1 lb.)	71	50	24	10	10
35	13	Cherries (1 lb.)	71	50	24	10	10
36	13	Cherries (1 lb.)	71	50	24	10	10
37	13	Cherries (1 lb.)	71	50	24	10	10
38	13	Cherries (1 lb.)	71	50	24	10	10
39	13	Cherries (1 lb.)	71	50	24	10	10
40	13	Cherries (1 lb.)	71	50	24	10	10
41	13	Cherries (1 lb.)	71	50	24	10	10
42	13	Cherries (1 lb.)	71	50	24	10	10
43	13	Cherries (1 lb.)	71	50	24	10	10
44	13	Cherries (1 lb.)	71	50	24	10	10
45	13	Cherries (1 lb.)	71	50	24	10	10
46	13	Cherries (1 lb.)	71	50	24	10	10
47	13	Cherries (1 lb.)	71	50	24	10	10
48	13	Cherries (1 lb.)	71	50	24	10	10
49	13	Cherries (1 lb.)	71	50	24	10	10
50	13	Cherries (1 lb.)	71	50	24	10	10

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This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security.

Shore warns Japan on rise in car imports

BY LORNE BARLING

MR. PETER SHORE, the Trade Secretary, yesterday issued his strongest warning yet over excessive imports of Japanese cars, hinting that the Government would act soon unless voluntary curbs were introduced.

Citing "disasters" in the consumer electronics and motor cycle industries, Mr. Shore said that no responsible British Government could allow the same to happen to an industry of significance to the future of the economy.

"I am sure the Japanese Government would take the same view if one of their own major industries got into similar difficulties," he told a Japan Association lunch in London.

Hitherto it had been possible to solve problems arising in bilateral trade by discussion and co-operation, and it was hoped that would continue. "But I would not wish to leave any doubt about where the British Government will stand in this matter and where our priorities must lie."

Although a stable and orderly growth of bilateral trade between the two countries was desirable, it must be a matter of serious concern to the British Government if imports were rising rapidly in a sensitive sector of industry.

Recent visit

If these imports come largely from one specific source, concern will naturally be directed towards that supplier. The 88 per cent. increase in Japanese exports of cars to Britain in the first eight months of this year compared to 1974 was unacceptable, he said.

On his recent visit to Japan he had been impressed by the vigour of British exporters, but with weakening Japanese demand, our exports were falling both in volume and value. Japan was a key market which the Government was doing all its power to exploit by helping exporters. If the U.K. maintained its present share of exports to Japan, it would be

worth about £1bn. a year by the end of the decade.

We must reinforce our efforts in the Japanese markets and should not wait for the revival before doing our homework—our competitors will not.

At present there were problems in our trade with Japan. The visible trade gap had widened "rather ominously" to £280m. by September and the reversal of this trend should clearly be a major objective.

Reuter reports from Tokyo: The Japan Automobile Manufacturers Association said representatives of the Japanese motor industry will hold talks with their U.K. counterparts in London next month or in January to discuss problems relating to exports of Japanese vehicles to Britain.

The association said the Japanese side plans to look at the British motor industry and also study vehicle supply and demand relationships and other economic trends so it can work out its policy for exports to the U.K. next year.



Mr. Eric Varley, Secretary of State for Industry, Mr. John Riccardo, chairman of the Chrysler Corporation (left), is accompanied by Sir Eric Roll, chairman of Mercury Securities, parent company of S. G. Warburg, bankers for Chrysler (U.K.), and a director of that company.

Divergent views at Chequers meeting on industrial strategy

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

EMPLOYERS AND union representatives met at Chequers today to discuss the Government's new industrial strategy proposals and there is still a very wide gap between the attitudes of the various factions involved.

The Government's approach involves a concentration on the provision of selective State assistance for "growth industries" with industries thought to have no prospects of expansion being left to fend for themselves.

But the National Economic Development Council, under whose auspices employers, unions and Government met today, has made it clear it feels that the right approach would be to improve overall productivity throughout the main sectors of the U.K. industry rather than going for a selective "pick the winners" approach.

The unions are broadly supporting the Government approach. Mr. David Bassett, general secretary of the General and Municipal Workers Union, yesterday spelled out what the unions are suffering from the unplanned effects of random closures and redundancies. We must develop an industrial strategy that will capture the imagination and commitment of ordinary active trade unionists," he said.

"We need decisions on a framework of that policy. We need to identify priority sectors and companies. We want a planned system of change without the trauma of unemployment. Most of all we need to set up co-ordinated machinery bringing together the National Enterprise Board, the Planning Agreement system, the Manpower Services Commission and other executive instruments of planning."

The Confederation of British Industry, however, while agreeing that a national industrial strategy is necessary will insist that there is no need for a National Enterprise Board or for Planning Agreements and that concentrating attention on this aspect of the strategy is only obscuring the real issues.

According to the CBI, British industry has suffered from too much Government interference and too much taxation. In the absence of the right economic and fiscal policies, institutional changes in relations between industry and Government, however desirable in themselves, will not fundamentally improve the U.K.'s industrial performance, the CBI insists.

Meanwhile, Mr. W. C. Poeton, a member of the CBI Council and immediate past chairman of the CBI's south west regional council, caused a minor flurry when he raised a solitary voice dissociating himself from the Confederation's policy for the talks.

Speaking as a representative of small businessmen on the CBI, Mr. Poeton maintained: "There is no useful purpose to be served for small independent enterprises in discussing the new strategy proposals in view of the complete absence from the documents of any modification of proposals which originate from the Left of the Government. While it is obviously of academic interest to discuss selective intervention ideas, I cannot allow the smaller companies in the U.K. to be associated in discussions with a Government whose current legislation encompasses plans to destroy the type of business I have spent my life working in."

Occidental wins U.S. court confiscation of Libyan oil cargo

BY RICHARD JOHNS

OCCIDENTAL Petroleum yesterday obtained the confiscation, under a Louisiana court order, of a consignment of oil sold by the Libyan National Oil Company.

A statement by the company said that the Sheriff of St. Bernard, Louisiana, had seized its 49 per cent. share of a 390,000 barrel shipment which the state oil corporation had "purported to sell" to an affiliate of Coastal State Gas Corporation. This was in violation of "Occidental's concessionary right to an undivided 49 per cent. of the oil from concessions 102 and 103."

The legal action is the first to be taken by the U.S. independent since October 1 when the Libyan Government "suspended" its exports and banned its expatriate employees from leaving the country.

The cargo is believed to have been the first made from Occidental's Zuetina terminal and delivered at its port of destination since the Government order was made. After the dispute between the two broke into the

open, Libya announced that it was offering to supply Occidental's customers and the company retorted by warning against any purchases.

The showdown began in September when Libya instructed Occidental to cut its production from a rate of 320,000 barrels a day to 210,000 b/d. Occidental retorted by filing notices of arbitration in The Hague and Paris against what it alleged had been continuous breaches of its original concession agreements and the more recent 1973 "exploration and production sharing agreement"—which has not yet resulted in any oil output.

In Kuwait yet another round of negotiations on the final takeover of the remaining assets of British Petroleum and Gulf Oil ended yesterday without agreement. The representatives of the two companies were returning for consultations after the

Government had, apparently, refused to agree to better terms for the companies which together still own 40 per cent. of the Kuwait Oil Company.

A statement on Kuwait Radio said: "It was explained to the companies that there will be no change from the present position. At issue are the details of the 10-year supply contract under which B.P. and Gulf would be ensured a certain volume of oil at a better price than other customers would be charged."

Meanwhile, Saudi Arabia has confirmed to the Arabian American Oil Company that the posted prices of its main grades will vary from 8.5 per cent. to 10 per cent. following the formal OPEC decision to raise them by 10 per cent. across the board.

For the Arabian light "marker" crude, the full 10 per cent. will be applied while for the heavier crudes it will be 9.5 per cent. to 9.8 per cent. For the lightest known as Berri, the upward adjustment will only be 8.5 per cent.

Junior doctors 'may risk patients' lives'

BY OUR LABOUR STAFF

A LEADING hospital consultant gave a warning yesterday that patients' lives would be "in some danger" because of the junior doctors' industrial action in the North-West.

Mr. Derek Teasdale, himself a leading consultant during the consultants' recent work-to-rule over new contracts, said he and his colleagues could not indefinitely provide cover for juniors who begin strict 40-hour week on Monday.

Consultants will provide cover through the night if the junior doctors go ahead with their threat. "We are doing this because we really feel desperate about the patients who are in our hands. We also have great sympathy for the juniors in their dispute, even though we do not always approve of their methods," said Mr. Teasdale.

Two smaller hospitals in the area are expected to close next week. Mr. Teasdale said others could follow as consultants were "brought to their knees" with over-work, thus endangering patients' lives.

While industrial action continued in many areas in protest at the latest attempt by the British Medical Association and

Selective strikes plan at Plessey

By Laurence Oslager, Labour Staff

A SERIES of selective strikes will be called at Plessey's main telecommunications plant in Liverpool as soon as the company sends out the first redundancy notices resulting from the decline in Post Office orders.

White-collar unions at the Edge Lane plant, where Plessey is planning to reduce the workforce by some 700 people, took this decision yesterday after the deadline for voluntary redundancies expired. The unions are expecting compulsory dismissal notices to go out any day now.

Altogether, Plessey has said that some 2,000 white-collar workers in a number of factories will have to be made redundant because of the drop in Post Office orders.

GEC has threatened an initial 4,800 redundancies for the same reason. The white-collar union decided to resist forced redundancies when the first company announcements were made in late September.

At national level, the unions are still seeking a meeting with Mr. Harold Wilson to persuade the Government to restore Post Office orders to 1973 levels.

Continued from Page 1

Sandilands supported

EXAMPLE OF THE PROPOSED STATEMENT OF SHAREHOLDERS' CAPITAL

Amount at 1st July, 1974, in terms of purchasing power	200
PLUS: Increase required to compensate for fall in value of money during year	50
Amount required at 30th June, 1975, to maintain purchasing power	250
LESS: Actual amount at 30th June, 1975	215
Loss in purchasing power during year	£ 35

THIS £35 CONSISTS OF:

(a) a loss on monetary assets (reflecting the whole of the fall in the value of money) of	£ 25
(b) a loss on non-monetary assets (because the rate of increase in their value has not fully compensated for the fall in the value of money) of	£ 10

Committee." If the Government had not intervened, the CCAB declares.

If the Government fails to take action on the Sandilands proposals, Mr. Grenside said that the Accounting Standards Committee "would give very serious

thought to the development of something itself."

We believe most strongly that the time for academic debate is over," he declared.

The CCAB's reactions to the Sandilands Report have been generally welcomed. Although none of the members of the Sandilands Committee had received copies of the CCAB's views, the reactions of Professor Walter Reid and Mr. D. R. Chilvers, both committee members, were that the profession had reacted "as expected."

"My real concern so long to come out with so little," said Mr. Chilvers, "but the nice thing is that our proposals have been finally blessed."

Professor A. J. Merrett, a leading figure in the inflation accounting debate, said he found the CCAB's views "very encouraging."

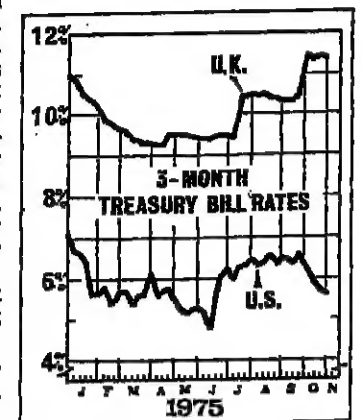
He warned that the accountancy profession must "make up its mind as to what the numbers in the proposed supplementary statement really mean. Do they represent a dividend to the shareholders, and if so are they relevant to dividend policy, or wage negotiations?" he asked.

Mr. Martin Gibbs, of Phillips and Drew, said he was "basically very much in support of what the accountants are saying. I think they have gone 90 per cent. of the way towards applying Sandilands and that their comment are very sensible."

THE LEX COLUMN

Accountants' view of Sandilands

Index rose 8.4 to 358.9



The accountants have ruled firmly against any system of multi-column reporting, and are determined to bring monetary adjustments into the main body of the accounts. This is a crucial part of their proposed modifications to the Sandilands report. Adjusting the current cost accounting system to allow for changes in current purchasing power will help to show what is happening to the real value of shareholders' interests. But the calculations will only be of academic interest if they are relegated to the status of a footnote, or presented as a set of supplementary figures along the lines of SSAP.

The suggestion is that the profit and loss account should start off with Sandilands-style operating profits and holding gains (although the accountants are unhappy about the latter definition, since at least part of the "gains" will arise from a decrease in the value of money). There should then be prominently displayed the gain or loss in purchasing power during the year, broken down into two components—the movement in monetary items, and also in non-monetary assets if the change in their current cost value has not coincided with changes in the value of money.

Such modifications would have a substantial impact on the overall appearance of corporate profits. Whereas Sandilands' adjustments would probably cut historic cost profits by about three-fifths, the declines are cut to about a sixth after taking account of monetary changes.

Sandilands' objections to such adjustments were mainly to do with the presentational difficulties rather than with anything more fundamental, so these proposals for a simple adjustment ought to be acceptable. The hope is that the Government will give its views this month and that the new system will be in use in 1978, not long after Sandilands' original target.

Equities

Equities are still trying hard to break into new high ground. The 30-Share Index closed at its peak for the day, just 6.4 points under the 1975 high reached on June 5. The broader FT-Actuaries indices are still closer to peak levels: the 500-Share Index, of course, touched a high last week, and it has rallied to within 1 per cent. of that level. With the average yield now

dropping below 6 per cent., the reverse yield gap is assuming awesome proportions, but since optimism about long gilts has evaporated in the face of inaction on public spending this factor is not as powerful as it was during the summer. And as the City grows more pessimistic about the longer-run outlook for inflation (despite the likely deceleration in the next year) the old inflation hedge argument is being dusted down and brought out again.

Unless there is another massive wave of rights issues—the clearing banks being the most likely fund-raisers—the bullish forces are likely to remain dominant for the time being. But the monetary threat remains. At least there is no external pressure here, with the gap between U.K. and U.S. short term rates widening sharply, while the U.S. money supply continues to run a good way under the Fed's minimum growth target. This has done little good to sterling, however, and today's monthly clearing bank statement indicates the appearance of an underlying upturn in advances to the private sector. Opinion is divided on whether the Bank of England will clamp down through special deposits or, moving in the opposite direction, will make one more attempt to solve its immediate money supply problems by cutting MLR in order to spark off another wave of gilt sales.

De La Rue

De La Rue's profits now look like recovering sooner than seemed probable after the two-thirds drop in the first quarter

total to £769,000. The second three months was never expected to be so bad, but, in fact, the pre-tax figure is only just over a tenth down at £1.4m. The key has been the beginning of a pick-up in plastics—nearly one-third of 1974-75 profits—as reflected in the reduced minorities credit between the quarters. This has come through mainly in the U.K. so far with a rise in demand, but overseas markets (over two-thirds of this side's sales) also started to look stronger during September, earlier than expected.

Elsewhere, the Crossfield acquisition is still in the red—partly for seasonal reasons—and is unlikely during the current half to match the £1.5m. of the same period last year. The security division is continuing to advance, though because of the phasing of certain currency contracts the bulk of its profits are expected to be earned in the current half. Overall, the group probably will not be able to recoup all of the near £2m. drop in interim profits during the rest of the year. But external estimates of the 1975-76 result have still been revised upwards to the £7m. to £7.5m. range, against £8.27m. This hope and a yield of 91 per cent. at 173p could mean a firmer share price performance following the dull trend of the last few months.

See also Page 20

Mallinson

Mallinson has performed very strongly over the past month—rising well over a fifth—and the shares held steady at 39p yesterday despite 1975 interim profits perhaps a shade short of most market expectations. The results confirm that the timber cycle is once again edging upwards with signs of firmer prices in a number of areas, though softwoods—the real key to the industry's fortunes—remain sluggish. Excluding its acquisition, Mallinson is an eighth ahead at £1.9m. pre-tax. Overall the group could emerge with profits a fifth higher at around £41m. of which £1m. would be due to acquisitions. The yield of 7.3 per cent. is covered around three times historically; and the group balance sheet is now much stronger with stocks at least a quarter lower.

See also Page 20

Weather

U.K. TO-DAY
DRY with sunny spells. Rain spreading from W.
London, S.E., E. Cent. S.
England, Midlands E., Channel Is.
S.W. England

Dry, bright spells. Wind S.W. light or moderate. Max. 11C (52F).

Dry and sunny. Wind S.W. light or moderate. Normal. Max. 13C (55F).

Midlands W., S. Wales, N.W. England, Lake District, N.E. Cent. N. England

Dry, sunny. Wind W. light or moderate. Max. 11C (52F).

N.W., S.W. Scotland, Glasgow, Cent. Highlands, Argyll Is. of Man, Borders, Edinburgh, Dundee, Aberdeen, N. Ireland

Scattered showers. Sunny spells. Wind S.W., moderate or fresh. Normal temps. Max. 11C (52F).

Outlook: Dry in S. and E. with night frost. N.W., changeable. Light up: London, 16.63; Manchester, 17.01.

BUSINESS CENTRES

	Y'day	mid-day	Y'day	mid-day
Amsterdam	12	14	12	14
Antwerp	12	14	12	14
Bombay	12	14	12	14
Buenos Aires	12	14	12	14
Calcutta	12	14	12	14
Canton	12	14	12	14
Cebu	12	14	12	14
Hankow	12	14	12	14
Hong Kong	12	14	12	14
Kobe	12	14	12	14
London	12	14	12	14
Lyons	12	14	12	14
Manila	12	14	12	14
Medan	12	14	12	14
Osaka	12	14	12	14
Paris	12	14	12	14
Rangoon	12	14	12	14
San Francisco	12	14	12	14
Singapore	12	14	12	14
Sourabaya	12	14	12	14
Tientsin	12	14	12	14
Yokohama	12	14	12	14

HOLIDAY RESORTS

	Y'day	mid-day	Y'day	mid-day
Alicante	12	14	12	14
Amalfi	12	14	12	14
Batumi	12	14	12	14
Bombay	12	14	12	14
Bordeaux	12	14	12	14
Buenos Aires	12	14	12	14
Calcutta	12	14	12	14
Canton	12	14	12	14
Cebu	12	14	12	14
Hankow	12	14	12	14
Hong Kong	12	14	12	14
Kobe	12	14	12	14
London	12	14	12	14
Lyons	12	14	12	14
Manila	12	14	12	14
Medan	12	14	12	14
Osaka	12	14	12	14
Paris	12	14	12	14
Rangoon	12	14	12	14
San Francisco	12	14	12	14
Singapore	12	14	12	14
Sourabaya	12	14	12	14
Tientsin	12	14	12	14
Yokohama	12	14	12	14

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Cool reactions to Ford 'massacre'

BY DAVID BELL

PRESIDENT FORD'S explanation of his so-called Sunday Night Massacre, delivered at a Press conference last night, received a cool reception here today.

The President's repeated assertion that the dismissal of Mr. James Schlesinger as Secretary of Defence shows that he is in command has been greeted with some scepticism. This has been compounded by Mr. Ford's unconvincing claim that Mr. Schlesinger's departure has nothing whatever to do with the much-publicised rift between the Defence Secretary and Dr. Henry Kissinger the Secretary of State, over détente.

Meanwhile, Mr. Ford will have taken little comfort from the latest Harris Poll, which shows that his overall standing has dropped some 3 per cent. in the past month. Fifty-three per cent.

of people now say that he does not inspire confidence in the White House and the poll also reveals dissatisfaction about his handling of the economy as well as sizeable disapproval of his recent political campaigning across the country.

Mr. Ford clearly thinks that last night's Press conference will arrest this decline in his standing and show him as a man strong and determined enough to build his own team around him. But Democrats have wasted little time in asserting that the net effects of the changes as well as the position of Dr. Kissinger. One presidential hopeful, Senator Lloyd Bentsen of Texas, has suggested that Mr. Ford should rename himself President Kissinger and have done with it.

However, it is by no means certain that Dr. Kissinger is the

entirely undisputed beneficiary of the last few days. While Mr. Schlesinger's departure removes a powerful source of opposition to his views on détente, the elevation of Mr. Donald Rumsfeld, one of Mr. Ford's closest confidantes, may mean that Dr. Kissinger will have less contact with Mr. Ford than before. It has already been made clear by the White House that he is to lose his daily face-to-face contact with Mr. Ford.

Conservative Republicans, led by Governor Ronald Reagan, the man Mr. Ford appears to fear most as his opponent in next spring's key presidential primaries, are not pleased by Dr. Schlesinger's removal and are concerned at Dr. Kissinger's continuing preeminence. However, they concede that Mr. Rockefeller's decision not to run next year will give Mr. Ford a good

deal more appeal with conservative voters.

Mr. Ford refused to be drawn last night on whom he might choose as his running mate next year, but Mr. Elliot Richardson, the ambassador to Great Britain, is clearly a possible candidate now that he is returning to Washington as Secretary of Commerce. Others include Mr. John Connally, former Governor of Texas, Mr. Rumsfeld and Senator Howard Baker.

The appointment of Mr. Richardson is taken to be a placatory gesture in the direction of the Republican Left wing who are not all pleased with Mr. Ford's performance and do not approve of his evident swing to the Right.

Election role for Richardson and Rumsfeld scores, Page 16
Editorial comment, Page 16